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THE CONTRIBUTORS

W. Arthur Lewis, Professor of Political Economy at the University of Manchester, is currently on leave of absence, serving as Economic Adviser to the Prime Minister of Ghana, under UN Technical Assistance. His publications include *Principles of Economic Planning* (new ed., 1952) and *The Theory of Economic Growth* (1955).

George W. Rathjens, Jr., has been a member of the Weapons Systems Evaluation Group in the Office of the Secretary of Defense since 1953, and of the Institute for Defense Analyses in the Pentagon since its incorporation.

C. M. Woodhouse became Director of the Royal Institute of International Affairs in 1955 and its Director of Studies in 1956. In recent years, he has served in the Foreign Office and has been a Fellow of Trinity Hall at Cambridge and Visiting Fellow of Nuffield College at Oxford.

Lincoln Gordon is William Ziegler Professor of International Economic Relations in the Graduate School of Business Administration at Harvard. He acted as consultant to the North Atlantic Council's Committee of Three Ministers on Nonmilitary Cooperation in NATO in 1956, and edited *International Stability and Progress: United States Interests and Instruments*, published by the American Assembly in June 1957.

Edward Shils is Professor in the Committee on Social Thought and the Department of Sociology at the University of Chicago. The author of *The Torment of Secrecy: The Background and Consequence of American Security Policies* (1956), he is at work on three studies: *Love, Belief and Civility, The Indian Intellectual*, and *Self-Government and Public Liberties in the New Countries*, the last-named under the auspices of the Congress for Cultural Freedom.

Adda B. Bozeman has been Professor of Political Science at Sarah Lawrence College since 1947. A member of the Columbia Faculty Seminar on Peace, she has recently completed a manuscript entitled *Image and Reality in International History: A Commentary on International and Intercultural Relations.*

William Ebenstein is Professor of Politics and Faculty Associate of the Center of International Studies at Princeton University. Among his publications are *Modern Political Thought* (1954) and *Today's Isms: Communism, Fascism, Capitalism, Socialism* (2nd ed., 1958).

Otto Kirchheimer joined the Graduate Faculty of the New School for Social Research in New York as Professor of Political Science in 1955. On leave during the current academic year on a Rockefeller fellowship, he is engaged in studying interrelations between politics and the administration of justice.

G. H. Mattersdorff, having served on the staff of the Intra-European Trade Section of ECA in Washington and in the Office of the Special Representative of ECA in Paris, is now Instructor of Economics at Connecticut College.

S. T. Beza is Assistant Professor of Economics and Research Associate in the International Finance Section at Princeton University.

William C. Olson has been Assistant Professor of Government and Chairman of the Committee on International Relations at Pomona College since 1953. He is preparing a book of readings in the theory of international relations with David McLellan and will be Director of a Danforth Summer Seminar on "International Economic Policy and Human Values," to be held in Claremont, Calif., in June 1958.

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RECENT CONTROVERSIES OVER ECONOMIC POLICY IN THE BRITISH LABOUR PARTY

By W. ARTHUR LEWIS

WHEN the Labour Party took office in 1945 it had a detailed economic program on which all its intellectuals were agreed. By the time it left office in 1951, controversy had already started as to what its next program should be. This controversy is still active, though fairly wide agreement has been reached on some of the major issues. The purpose of this article is to put the controversy into its setting.

First a word about the arena. When the Tories were defeated in 1945 they went to work systematically to frame a new economic policy. Mr. Butler gathered a group of bright young men around him, and in due course a stream of pamphlets issued from the Conservative Central Office giving the results of their "new thinking" (which was mainly some Labour Party "old thinking" which the party leaders had now decided to adopt). Nothing like this happened when Labour went out of office. Labour is an undisciplined party; members rush into print with articles, pamphlets, and books, claiming to represent what socialism means or should mean, so there has been a fine harvest of conflicting recommendations during the last few years, without the restraining hand of official pronouncements. The Party Conference of 1955 instructed the Executive to prepare a series of policy statements. These have been appearing within the past twelve months, but it may be doubted whether they will have much influence on the flow of intellectual debate.

The debaters have been intellectuals. The trade union leaders have not said much about economic policy. Neither has the rank and file. For the most part the participants in the debate have been people whom one associates with the constituency parties. They are the readers of and writers for the *New Statesman*, or *Tribune*, or *Socialist Commentary*, or Fabian pamphlets. Probably most of them do not subscribe to the *Daily Herald*.

Mr. Bevan and Mr. Gaitskell have both participated actively in the controversy, on opposite sides. So it is tempting to divide the other writers into Bevanites or Gaitskellites, according as they resemble the one or the other in the general terms of their views. However, this

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would create a misleading impression. There has not been a Bevanite group on economic policy, meeting to consider a line, as there was on foreign policy. Neither has there been a Gaitskellite group. Individuals have said what they pleased, coinciding with Bevan on some things, and with Gaitskell on others, and neither of the two leaders has set out a systematic or comprehensive doctrine, for which he has sought recruits. To Bevan, in particular, economic comments have been hardly more than *obiter dicta*. It is better to approach the controversy through issues than through persons.

I. The Ideological Background

Two streams of protest unite in British socialism, the protest against the inequity of capitalism, and the protest against its economic inefficiency.

The protest against inequity is the older of the two. In Britain this flowered in the first quarter of the nineteenth century, in a series of writings by a group of men now known as the Ricardian socialists. What they held in common was a denial of the right of property owners as such to a share in the national income; the whole produce belonged to labor. Ricardo (like all other economists before and after him) had been concerned with analyzing how the surplus over wages (accruing to property owners as interest, profit, and rent) was determined. The Ricardian socialists differed amongst themselves in the social arrangements they proposed, but they all agreed that it was inequitable that this surplus should accrue to owners. British socialism has never moved from this position.

The protest against the economic inefficiency of capitalism is more recent; it goes back to the Fabians and to Hobson. The Webbs in particular made much of the wastes of competition; they were for centralization in industry, and therefore for monopoly, and therefore for public ownership. Hobson's line of attack was the inevitability of recurring unemployment in capitalism. He owed nothing to Marx, but went back to Malthus and his contemporaries. Both the Fabian and the Hobson line of thought led to the conclusion that capitalism was inefficient as an economic system; socialism was better because it would deliver more goods. We shall call this stream of protest "efficiency socialism," to distinguish it from "distributional socialism," with which it has no necessary connection.

During the nineteenth century, efficiency socialism was the minor stream of protest. As Marx himself said, capitalism was delivering more goods than any other previous system. Employment opportunities

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widened all the time (contrary to his prediction), slumps were mild, and living standards rose continually. Distributional socialism was to the fore, and efficiency socialism was only a minor issue.

This position altered radically in Britain after the First World War. Britain never recovered from the slump of 1920. Thereafter unemployment never fell below 10 per cent, even in the most prosperous years of the 1920's. Major British industries, such as coal, cotton, steel, and shipbuilding, went into prolonged decline. Little capital was invested in them, and their inefficiency was plain for all to see. When the great world depression of the 1930's supervened, and showed no sign of lifting after a decade, even British capitalists lost faith in the efficiency of their system.

So it came about that the Labour government of 1945 rested its case much more on efficiency than on distribution: socialism was necessary to make the British economy efficient. This was the major justification offered for economic planning and for nationalization.

Similarly, much of the disillusionment of the Labour Party, and much of the controversy which has followed, derive from the weakness of this case. For capitalism has recovered, and is delivering the goods even more impressively than it did during the nineteenth century. Lord Keynes has shown how to keep depressions even shorter and milder than they were in that century. Capitalists have recovered faith in themselves, and are investing in new technology at rates which improve the efficiency of their industries day by day. The economic case against capitalism is no longer self-evident.

The main purpose of the Labour Party's "new thinkers" during the past ten years has been to get the efficiency line of socialism back into cold storage and to advance the distributional line once more. This could not be done without giving offense, since it involved abandoning many of the positions from which the successful campaign of 1945 was launched, and to which there was therefore much emotional attachment in the party. The success which the "new thinkers" have achieved is to be attributed much more to the obvious failure of the old arguments to convince the electorate since about 1947 than to the merits of their case.

II. Efficiency Socialism

The principal weapons by which it was proposed to increase economic efficiency were inflation, physical planning, and nationalization.

Inflation was put forward as the chief defense against unemployment. By this means unemployment was indeed reduced to less than 1

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per cent of the working population, whereas in the United States the figure has never fallen below 2.5 per cent. On the other hand, the evil effects of inflation were also soon evident—rising prices, shortages, queues and, above all, recurring deficits in the balance of payments. Here the socialist economists divided. One school demanded that the inflation be continued, but its symptoms suppressed. Prices should be held down by price control; shortages should be met by rationing, so as to eliminate queues; imports should be severely restricted by quota; raw materials should be allowed only to firms exporting a stipulated proportion of their output; and black marketeers should be sent to prison. The other school was opposed to so much bureaucratic regulation of the economy: it preferred to eliminate inflation. It argued for seeking an exact balance of supply and demand at the level of full employment. But could this be done? Experience has shown that the number of vacancies reported to labor exchanges just equals the number of unemployed when unemployment stands at about 1¼ per cent of the working population; at this level also there is little or no inflation in the economy. By degrees this has come to be generally accepted in Britain, in all sections of both major parties, as the appropriate objective of full-employment policy.

Physical planning—by rationing, quotas, raw material allocations, building licenses, control of borrowing, etc.—follows from inflation, but it was advocated not only as a means of suppressing the symptoms of inflation, but also for its own sake. The argument was that, even in the absence of inflation, capitalism misallocates resources, since goods are produced for profit and not for use. The economists' answer to this argument has always been that a market economy produces whatever people want to buy; and they have urged that the market mechanism has such merit, when compared with physical allocations, that if one wishes to alter the use of resources, it is better to do this through altering market demand than through resorting to physical allocations. A pitched battle was fought on this issue inside the Labour Party. One school denigrated the price mechanism, and spoke glowingly of physical planning as one of the higher achievements of the human race in social control. The other school attacked physical planning as bureaucratic, and argued that it should be reduced to the minimum necessary for coping with admitted weaknesses of the market system, especially in the spheres of foreign exchange and of industrial location. They advocated instead planning through the budget, using taxes and subsidies to encourage or discourage particular uses of resources, rather

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than rationing and licenses. The economists have won this argument, not because of the inherent logic of their case, but because the electorate got tired of physical planning, rationing, building controls, and the like. The Labour Party fought the elections of 1950 and 1951 largely on the issue that the British economy could not be made viable without physical planning. The first election was barely won and the second was lost. The Conservative government came into office and began dismantling controls. Gallup polls showed that its popularity increased as controls diminished. Since then the case for physical planning has played very little part in Labour Party propaganda.

Nationalization has met the same fate. There are many arguments for nationalization, but the particular argument stressed in 1945 was economic efficiency. It was agreed, left and right, that in all the industries put on the nationalization list—coal, steel, transport, gas, and electricity—efficiency would be improved by greater centralization. The parties disagreed as to whether centralization should occur under private auspices (through amalgamations, or under the control of boards representing the firms in the industry) or whether it should proceed through nationalization. But the argument for centralization was admitted on all sides. It is the near exhaustion of this argument that has eroded the standing of nationalization within the party's program. In the first place, the list of inefficient industries is greatly reduced; the last manufacturing industry that needed centralization was the automobile industry, and this has now largely been achieved by the merger of Austin and Nuffield. And, secondly, doubts as to whether centralization really is good for economic efficiency have increased, resulting even in schemes for decentralizing control within the nationalized industries themselves. Thus, how does one proceed to make up the next list of candidates for nationalization? Since there are no others which would "obviously" benefit from centralization, which criterion should one now choose for discriminating among the remainder?

III. Distributional Socialism

The eclipse of "efficiency socialism" has been widely hailed as the eclipse of socialist ideology, but there could be no greater mistake. All that the new thinking has done is to put aside for the time being what was in any case only the more recent and less fundamental line of attack. The way is thus cleared for the return of "distributional socialism" to the fore in the party's program. The "new thinkers" call themselves "twentieth-century socialists," but in fact they represent merely a return to the dominant ideas of nineteenth-century socialism. They

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object not to the alleged inefficiency of capitalism, but to its basic inequity.

The basic inequity of the capitalist system lies in the concentration of wealth in the hands of a very small percentage of the population. This gives rise to inequities in the distribution of power and of income, against which radicals and socialists have always protested.

As to power, that of private property has now largely been tamed, so this aspect of the maldistribution of property is no longer very important. The political power of property has been broken by the Labour Party, and the industrial power of property by the trade union movement. Moreover, because of the growth of the business unit, power in industry is now mainly in the hands of a managerial class, and remains in those hands whether industry is privately or publicly owned. "Industrial democracy," in the sense of the workers of a firm having a say in all decisions which affect them closely, remains a goal of all socialists, but it is a goal which seems to be just as difficult to attain in nationalized industries as in private firms, and is essentially something to be left for the trade union movement to work out.

The other effect of the maldistribution of property is the maldistribution of wealth and of purchasing power. Something like 30 per cent of the national income accrues to owners of property. Objection to this disposition of the "surplus value" is and always has been at the heart of the socialist case. Most socialists do not object, and never have, to those inequalities of income which derive from differences of work done, at any rate within "reasonable " limits. Socialists have more often cried, "To each according to his work," than "To each according to his need," so the charge that they are against personal incentives is irrelevant. What they are against is unearned income, as it is currently distributed.

In the nineteenth century the objection to the misuse of surplus value was tied up with the desire to abolish poverty. This aim has now largely been achieved. Poverty has three main causes: low productivity, unemployment, and misfortune (especially sickness, injury, old age, and the death of the family breadwinner). The first of these causes, low productivity, has been abolished, partly by capitalist investments, and partly by public expenditures on education and on research. The second, unemployment, has been abolished by the full-employment policy. And the third cause has been met by the welfare state, which provides relief to meet misfortunes of every kind. The Labour Party has been most vigorous in taking or advocating measures in all these fields; but nowadays the objectives are equally acceptable to the Con-

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servative Party. Labour will do more to buttress the system when it gets a chance; but, whatever the government, poverty has virtually disappeared from Britain.

This is where British socialists part company from both British and American liberals. To the liberal it is enough to abolish poverty through the social security system, and to establish equality of opportunity through the educational system. The persistence of British socialists in seeking equality, rather than equality of opportunity, is due partly to recognition that equality of opportunity is not possible without equality, since the inequality of parents' wealth stands in the way of equality of opportunity for children, whether in education, or in access to remunerative occupations. But, more fundamentally, it is to be explained in terms of a rejection, on moral grounds, of a system in which 30 per cent of the national product is creamed off by a small group as unearned income. Equality of opportunity would mean that each person would have an equal chance to be one of this small group. But socialists object not to the means by which the small group is selected—whether by birth, or by lottery, or by examination—but to the very principle by which the group, however chosen, skims off the cream. To a socialist, no adult should be able to eat except in so far as he has worked, or except in so far as the welfare state provides for what we have called "misfortunes." To ensure an equal opportunity to an unearned privilege is in the socialist view an inadequate substitute for abolishing the privilege itself.

The traditional liberal approach to the inequalities of the present distribution of wealth is through progressive taxation. The Labour government went far along this road, and the Conservatives have retreated only a little way. Members of the Labour Party are still anxious to close loopholes, especially with a tax on capital gains, a tax on gifts, and a tightening-up of the rules relating to business expenses.

All the same, although many cry merely for more of the same, there is some uneasiness in the party as to whether high marginal rates of taxation do not damage the economy. The argument that they reduce private saving is not compelling, in so far as the proceeds are retained as public savings. More arresting is the proposition that such taxation discourages riskier investments, in a country which, being deficient in natural resources, has to live mainly by its wits. Mr. Kaldor has proposed to meet this by substituting for the present surtax on all incomes exceeding £2,000 a year a tax which would vary not with income but with expenditure, and which would therefore not discrimi-

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nate against risky investments. Others, preferring to base taxes on wealth rather than expenditure, have proposed an annual tax of, say, 1 per cent on all capital in excess of £5,000, which would bring in about the same as the present surtax. Sweden has already pioneered such a tax successfully.

Thus, the main economic arguments against high taxation can be met by changing the tax basis and by substituting public for private saving. Yet, as Mr. Bevan has said, it does not make much sense to keep the rich just to tax them; it would be better from the social point of view to abolish the rich, and create a society without great differences in the ownership of capital.

New thinking thus changes the question from "How can we impose higher taxes on income?" to "How can we alter the distribution of property?" The latter question is not new, but whereas in practice much has been done through taxation to alter the distribution of income, very little has been done to alter the distribution of property.

The favorite liberal weapon for altering the distribution of property is the inheritance tax, but this can make little contribution. Since the death rate is low, not more than 2 per cent of property becomes liable to the tax in each year. If this were taxed 25 per cent on the average (and this exceeds the current British average) it would bring in less than 0.5 per cent of property. On the other hand, property yields 10 per cent per annum, and grows by 3 per cent per annum. Compared with these figures the annual yield of the inheritance tax is bound to be negligible. Its main effect in Britain has been to cause the old landed aristocracy to sell out to the *nouveaux riches*, leaving the distribution between rich, middle, and poor unchanged.

A drastic change in the distribution of property would require a stiff capital levy. Nationalization makes little contribution, because in Britain owners are compensated fully, and are therefore as rich after as they were before. It is true that the yield on the government securities in which they are paid is lower than the yield on equities, but so also is the risk of losing their capital. It is also true that shares appreciate in value, through reinvestment of profits, while government securities do not, but this appreciation is due to an act of saving which is open equally to holders of government securities. The only real sense in which nationalization has reduced the richness of the rich is that it has deprived them of protection against inflation. Thus the primary effect of nationalization is to substitute public for private *operation* of industry; on the distribution of wealth it has relatively little

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effect. It is appropriate wherever public operation is appropriate, and especially so where centralized control is appropriate; but it leaves untouched the problems of private wealth.

The Labour Party has never come to the point of imposing a large capital levy, partly because of the technical difficulties of administering a levy (which are usually exaggerated), but mainly because a large capital levy is a revolutionary act, and the Labour Party is not a revolutionary party. It seeks to transform society gradually, and largely by consent, rather than by adopting measures which would divide the nation passionately.

This is one advantage of the new proposal that a Labour government should concentrate upon increasing public saving relative to private saving. The argument runs as follows: The amount of capital in the country will double in the next twenty-five years. Why worry about the ownership of the existing capital, which will lose its importance as new capital is formed? If all the new capital were in public ownership, existing capital would be only half as significant in twenty-five years' time, and only one-quarter as significant in fifty years. Hence there is no point in having a fight over existing capital; what really matters is to ensure that as much as possible of new capital is public. Since all capital is formed out of saving, this means that what matters is to increase public saving sharply relative to private saving.

It so happens that about a half of the new capital formed in Britain at present is in public operation—whether in public works, or in public utilities and nationalized industries, or in public housing. Much of this, however, is financed not out of public savings but by borrowing from the private sector. To this extent, the growth of capital under public operation is matched *pari passu* by the growth of privately owned wealth in the form of government securities. If the state were to tax this finance away from capitalists instead of borrowing it, the growth of private wealth would be checked. This was the policy pursued by the Labour government, under which savings in the public sector exceeded investment in the public sector. But the Conservatives reversed the policy as soon as they came into office.

Public saving need not be confined to the sum required for financing public investment, though even if it were so confined the check to the growth of private riches would already be substantial. One can go further and raise a surplus of savings, which can be lent to the private sector. Thus we would have private enterprise operating with publicly owned capital.

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This last suggestion is in line with evolving ideas on the operation of industry. Centralized control is less popular in the party, and there is greater interest in ensuring freedom of initiative to managements. Now, if one's primary interest is in preventing the growth of private riches, there is no fundamental reason why public ownership of property should not take the form of owning shares and debentures, while leaving managements relatively free. Under this system, "nationalization" would take the form of increasing public ownership of the nation's wealth, married nevertheless to considerable freedom of enterprise. In fact, if the state financial institutions were sufficiently numerous and enterprising, there might even be more private enterprise than there is in a capitalist system, where private finance tends to be monopolized and to flow only in orthodox channels. Such ideas are still very controversial in the party, partly because they have not been worked out fully, and partly because any departure from straightforward nationalization still seems suspect to those who were brought up to regard it as an infallible panacea.

In any case, public saving and public operation are not substitutes for each other. On the one hand, if investment is maintained, public operation does not reduce private wealth unless it is accompanied by public saving. And, on the other hand, while the purpose of public saving is to affect the distribution of property, the purpose of public operation is to control managerial decisions. There are still some industries where the wastes of competition are substantial (insurance, for instance), or where the advantages of centralization have already led to monopolistic complications for which public operation is the most effective remedy (chemicals, for instance). The "new" thinkers unite with the old in desiring some further extension of public operation, but their list of industries requiring this treatment is relatively short; and in some cases they would prefer to nationalize leading firms, instead of a whole industry. In general they do not attach as much importance to extending public operation as they do to extending public ownership through public saving.

That public saving is the only way to advance public ownership and to check the growth of private capital (if the capital levy is ruled out) is so obvious that it seems safe to prophesy that the party will adopt this idea. The first goal will be to save enough to finance public-sector investment. After that stage is passed the party will begin to grapple with the problems of public financing of private enterprise, which it will first meet on a relatively small scale.

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IV. Conclusion

It is thus clearly erroneous to mistake the eclipse of efficiency socialism in Labour Party thinking for the eclipse of socialism itself. The intellectuals who have attacked this form of socialism have been the same who have been refurbishing distributional socialism, which is, after all, the heart of socialism. Neither they, nor any other section of Labour intellectuals, have abandoned the goal of public ownership of property. They have indeed urged that the party should at the same time pursue vigorous measures to stimulate small-property ownership—of houses, farms, small businesses, financial savings, and so on—including measures to protect gilt-edged savings from erosion by inflation. But, human nature being what it is, they do not expect small savers to save enough to finance all the capital the nation needs, and they prefer to find the rest through public saving rather than through accretions to the private wealth of the rich. At the same time, they have distinguished between the ownership of industry and the operation of industry, and have pointed out that whereas nationalization gives operation without ownership, it may often be better to have public ownership without public operation. The management and operation of property may be dispersed in their world, with emphasis on private *enterprise*, but they seem as determined as the old thinkers to increase public *ownership* of capital, and to check the growth of private wealth.

The Conservatives have welcomed the trend away from efficiency socialism, but they are as opposed as ever to distributional socialism. They oppose the growth of public wealth, and favor the growth of private wealth; indeed their first act in office was to reduce taxation and increase public borrowing instead. Rumors of an intended marriage between British political parties seem therefore somewhat premature.

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NOTES ON THE MILITARY PROBLEMS OF EUROPE

By GEORGE W. RATHJENS, JR.

THERE can be little doubt that the development and increasing availability of modern, especially nuclear, weapons will greatly alter the military policies and relationships that obtain among nations. This article addresses itself to those topics; more particularly it considers, in the light of changing technology, such problems as the objectives of major and minor powers in both general and limited war, the definition of limitations in limited war, the validity of alliances, and alternative military postures for the United States and for small nations.

I. Historical Perspective

Eight years ago, when NATO was first organized and the United States had a monopoly of nuclear weapons, the Soviet Union was logically in no position to challenge the West anywhere. That she did so during this period, when her own capabilities were negligible compared with ours, is a testimony to her confidence in her assessment of U. S. reluctance to use nuclear weapons against her. But the USSR has not challenged the U. S. in areas that were obviously of prime importance to us. Perhaps the value of NATO has been in helping to define for the USSR the boundaries beyond which she could not go without incurring nuclear attack by the United States. While it is not specifically stated in the North Atlantic Treaty, it has generally been understood that a Soviet attack on Western Europe would provoke a nuclear reply by the U. S. against the USSR. Thus, the major component in deterring a Soviet attack against Europe has without doubt been our nuclear capability in the Strategic Air Command (though arguments can be made to the effect that the USSR would not have launched a general attack against Western Europe even in the absence of a U. S. nuclear capability because of Soviet exhaustion from World War II, and because the West would have maintained adequate conventional forces in the face of the Soviet threat had it not had the nuclear capability).[1]

It must be doubted that NATO forces in Europe have contributed

[1] Henry A. Kissinger, "Force and Diplomacy in the Nuclear Age," *Foreign Affairs*, xxxiv, No. 3 (April 1956), pp. 349-66; P. M. S. Blackett, *Atomic Weapons and East-West Relations*, New York, 1956.

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substantially to the deterrent, though no doubt their presence has served to strengthen the confidence of Europeans, and of the USSR, that the U. S. would indeed react strongly to any Soviet attack on Europe. Thus we might regard our troop commitments as in the nature of hostages—their value as a deterrent was almost unrelated to their military capabilities, for the Russians would have had little chance of winning a global war regardless of the existence of NATO forces in Europe. Yet these capabilities have been regarded as important, because in the event of war it would be desirable to keep the Soviets out of Western Europe while U. S. nuclear attack against the USSR was making itself felt. It was hoped that Europe might be spared the unpleasantness of a Soviet occupation and, perhaps more important, possible U. S. strategic bombing.

Fortunately, the adequacy of NATO forces in Europe has not been tested. Certainly, it must be doubted that the forces in Europe could have kept the Soviets out during the early days of NATO, when the West was largely demobilized while the Soviets were not, and were, moreover, in firm control of the satellites. Later, of course, our strength in Europe increased, particularly with the acquisition of tactical nuclear weapons. Perhaps more important, our strategic capabilities also increased so that both the duration of the required holding action and the ability of the Soviets to supply their forces in Europe presumably decreased; moreover, the satellites became more restive (or at least we and the Soviets are now more aware of the weakness of the Soviet position there). These factors might have been grounds for assuming a decreased NATO military requirement, provided the same defense philosophy was applicable. However, it is the thesis here that acquisition by the Soviets of substantial nuclear capabilities has so changed the military problem of the West that the old philosophy with respect to NATO forces is no longer valid.

It should be noted that all of the preceding discussion was in the context of global war. This, of course, has been a fundamental part of the NATO philosophy. It was felt that Europe was of such importance to the U. S. that we would initiate a global war in the event of any overt Soviet attack. Consequently, the possibility of limited war in Europe was scarcely considered.

However, in the very near future, if not right now, the USSR will have a nuclear capability, including delivery means, sufficient to make the United States very cautious about responding to aggression by launching a thermonuclear attack—more cautious, indeed, than during the Korean War, when there was virtually no threat of large-scale use

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of nuclear weapons by the Soviet Bloc in the event of their use by the U. S. These points can hardly be lost on either the Soviet Union or other nations. One may question, then, whether the U. S. will regard Soviet aggression in Europe as sufficient provocation for the initiation of a thermonuclear exchange. Or, put another way, one may ask whether a U. S. policy of massive retaliation is sufficient to deter the USSR from aggression in Europe. A tenet of this article is that it is not, or at least will not be in the very near future as Soviet capabilities become sufficient to destroy the U. S.

If it is true that Soviet aggression in Europe may not be met by a U. S. thermonuclear attack against the USSR, and if the Soviets deduce this, there is a very real possibility of limited war in Europe. Indeed, this would seem to be the only really important military problem for Europe. Certainly, in a global thermonuclear exchange, the contribution of Europe will be negligible (though it might be made substantial by putting enough offensive capability in Europe); and the old military objective of keeping the Soviets out of Europe until effects of the exchange are felt has become quite meaningless because (1) considering the very high level of damage that the Soviets would incur, occupation of Europe would probably be of little importance to them; and (2) if it were important, nuclear destruction that Europe might suffer in an attempted defense would be far worse than Soviet occupation. Some of these points are explored further in the subsequent discussion.

II. National Objectives and Limitations in War

Traditionally the concept of winning a war has had, as Nitze points out,[2] two possible meanings: in the first sense, there is an accretion of resources to the victor in excess of his costs, and he is thus better off after the war than before; and in the second sense, the victor is in a relatively stronger position than the loser. In the context of global war to which Nitze is referring, winning in the second sense implies the ability to impose one's will on the defeated adversary. Winning in the first sense may be regarded as applicable only to limited wars; wars cease to be limited when the objectives are no longer commensurate with the costs, or, as Kissinger puts it, with the forces employed.[3] Certainly, insofar as a major war between the U. S. and the USSR is concerned, there is no possibility of winning in the first sense; there are no possible objectives commensurate with the forces that the two sides

[2] Paul Nitze, "Atoms, Strategy and Policy," *Foreign Affairs*, XXXIV, No. 2 (January 1956), pp. 187-98.

[3] *Op.cit.*

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clearly intend to employ or the costs they may expect to incur. But it is Nitze's contention that victory in the second sense is possible for the U. S. (among other reasons, because of the advantage we possess by virtue of our geographic encirclement of the USSR with bases). This might have been a reasonable possibility in the past; but it makes little sense when each side has a large thermonuclear capability. Destruction of at least 50 per cent of the population of each antagonist is quite likely.[4] No advanced society has ever sustained such damage levels. In the reconstruction following such devastation, quite a different social order could be expected to evolve; and with the knowledge now available to us it may well be presumptuous to assert that what might evolve in the U. S. would be superior to that in the USSR, even though we might hope and expect it to be. In any case, quite some time would surely elapse before either of the major antagonists would be in a position to impose its will on the other, particularly if some fortunate third powers, perhaps weak by present standards, were undamaged in the nuclear exchange.

Thus, the concept of "winning" such a war cannot be regarded as a reasonable objective. And if there can be no victory, then there is little to be gained from inflicting a 90 per cent damage level on the enemy as against a 50 per cent level; indeed, there is nothing to be gained by inflicting any damage at all. Yet, a capability for inflicting damage is necessary as a deterrent; and for the deterrent to be effective the enemy must have confidence that the capability is large and will be exercised. The deterrent value of a small offensive capability is no doubt related to its magnitude, but above a certain level of capability the deterrent effect is probably insensitive to the damage level. Definition of the required offensive capability must be a largely arbitrary matter; but perhaps a reasonable upper bound can be defined, beyond which there is no value in developing a retaliatory capability.[5] With respect to global nuclear war, then, one might expect each side to try to minimize expected damage to itself

[4] Secretary of Defense Wilson has stated that within a reasonable number of years the U. S. and the USSR will each have enough weapons so that either could "practically wipe out the world" (*New York Times*, March 30, 1956). Senator Clinton P. Anderson, Chairman of the Joint Atomic Energy Committee, has said that the U. S. already has such a capability (*Facts on File*, XVI, No. 835, October 24-30, 1956, p. 359).

[5] From this it follows that the two sides do not necessarily require offensive capabilities of equal strength; the requirement will depend largely on the vulnerability of the population of the opponent. Since it is probably true that the USSR is less vulnerable that the U. S., we should have a greater offensive capability than the USSR (assuming that the USSR does not make the mistake of building too great a capability). The requirements of each side will, of course, be increased if the other side makes its population less vulnerable.

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while providing a capability for inflicting an arbitrary damage level on the enemy. However, in the near future any increment in defense capability may likely be matched by a less costly improvement in the adversary's attack capability. The best, then, that one might expect of any defensive measures is that they will modify the effects of the enemy attack, not so that society will be preserved, but so that the factors causing collapse will be different.[6] The worst that can happen is that a greater level of damage will result from defense measures. By its nature a defensive measure, at least one of active defense, introduces an element of uncertainty into an attack. It must be assumed that if one side launches an attack at all, it will be one it regards as sufficient to give a high assurance that the victim's society will collapse. To have this assurance in the face of defense measures and uncertain damage levels requires that the *expected* damage be larger than in the absence of defense.[7] Some limited defensive measures may be desirable in that their cost will be less than the cost to the enemy of compensating measures. But the opportunities for such advantageous economic warfare will probably continue to decrease in the future. Of course, research effort should be continued in the hope of providing more such possibilities and even of building an airtight defense; but it must be concluded that aside from these possibilities, defensive measures generally, and active defensive measures particularly, will be of very limited and perhaps doubtful value in a nuclear exchange. Subject to the minor qualifications respecting defensive measures indicated above, the objective of each side then should be simply to provide itself with a sufficient offensive capability.

The foregoing discussion pertains, of course, to a really global conflict. In the case of limited war, one might hope to win in Nitze's first sense—i.e., making a net addition to one's resources. At the worst, each side should have at least some tangible objectives, the attainment of which would enhance its posture vis-à-vis its opponent. When the major powers are directly or indirectly involved in limited war, the relative strengths of the antagonists at the end of the war are obviously important; thus, victory in the second sense—i.e., being in a relatively stronger position than the loser—is a reasonable objective even though

[6] Collapse resulting from destruction of control, communication, industrial facilities, etc., *may* seem preferable to collapse as a result of population destruction, at least to survivors. However, the deterrent effects of the two prospects are unlikely to be different.

[7] It is conceivable that certain defense measures, e.g., a passive defense against the rather unpredictable effects of fallout, would result in a lessening in the uncertainty of damage and consequently in a reduction in the expected damage.

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the victor would not necessarily be able to impose his will on the loser. Of course, if both really strive to attain the objective of superior strength at the end of the conflict, they may very well gradually expand the scope (or relax the limitations—the same thing) until the war is no longer limited; but expansion to this degree must be regarded as irrational. One might ask then two questions: (1) Are there more-or-less natural limitations that may apply in limited war? and (2) What should be the military posture of a nation that seeks to determine which limitations shall obtain?

The first question may be answered in the affirmative. Limitations on a war must be recognizable to both sides; therefore it is necessary that ambiguity be avoided. This is certainly true with respect to geographic and weapons limitations. It may also be applicable to limitation on war objectives, since either side may wish to change weapons or geographic limitations if it feels objectives (of either side) are changing. As soon as the limitations become fuzzy, then either side may feel it can slightly relax those under which it operates without immediate (or possibly any) corresponding response by the enemy; or one side may feel that the enemy is doing this (even though he may not be), and hence counter by relaxing constraints. Thus, in ambiguity there would appear to be the seeds of expansion of limited war. Of the pairs of limitations listed below, those in Column *A* might be regarded as more natural (less ambiguous) than those in *B*.

A	*B*
No use of nuclear weapons.	Restriction on yield, fuzing, or construction.
Use of weapons against a clearly defined and recognizable geographic area, e.g., a country or island.	Use of weapons against a diffuse strategic target system within an area.
Attack by manned aircraft of recognizable type or by land-based ballistic missiles.	Attack by submarine-launched missiles. (When a number of states have such weapons, it may not be clear whose are being fired.)

The problem of recognizing limitations is, of course, important in any discussion of graduated deterrence. Consider these three responses to a Soviet attack against a small power: (1) the small power fights

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back on its own; (2) it does so with clear U. S. support; and (3) the U. S. directly intervenes. The Soviet Union would surely regard the first response as least ambiguous because (assuming the capabilities of the small power are indeed small) it knows with reasonable precision how much damage the small power can inflict in return. If the other responses appear probable, the USSR cannot be assured of an acceptable level of damage. The result might well be a situation in which each side keeps hitting the other with successively harder blows.

Now consider the question, what should be the military posture of a nation that seeks to determine the limitations that shall prevail in a war? An all-out nuclear exchange must be rejected as irrational; therefore the capabilities for massive nuclear attack are mutually neutralizing. If either side appears to be winning a limited war it must offer the other a prospect more appealing than nuclear exchange, if the latter is to be avoided. This thesis can be extended: If one side wishes to insure limitation of a conflict at any given level, it must have the capability to make the outcome at *all* increased levels of conflict more undesirable for the other side.[8] The crux of the problem is, of course, defining these levels; this relates back to the problem of natural or unambiguous limitations on war.

In their relations with the major powers, small states have a special problem. In a war which a small nation regards as limited, its objectives are likely to be similar to, and as complicated as, those of the major powers. However, a small nation may get involved in a conflict with a great power which the latter regards as limited, but which from the point of view of the small state may be total. In this case, the objective of the small state should be the same as in the case of global war between the major nations. Definition of the necessary offensive deterrent capability is particularly simple: the small state must have sufficient retaliatory capability to inflict a level of damage on the adversary equal to the residual value of the small nation to its large-nation adversary after the conflict. This, of course, follows from the idea that for the great power, winning only in the (first) sense of making a net addition

[8] It is interesting to consider the Korean War in this light. It seems quite likely that the U. S. was really in control in Korea, in that at all increased scales of warfare the results probably would have been more disadvantageous to the Bloc. In introducing Chinese troops the Communists extended the scale as far as possible. The next logical relaxation of limitations would almost certainly have led to U. S. usage of nuclear weapons, a contingency for which the Bloc was obviously not prepared. One might consider that the war was limited to the extent it was because there was no possibility (on the basis of capabilities) of the Communists securing a more favorable outcome, and because the U. S. was unwilling to pay the price required for a more favorable outcome (in Nitze's second sense).

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to resources is acceptable in a limited war. It might be argued that if the small power is allied to the major adversary of the great power, then winning in Nitze's (second) sense of achieving a relatively stronger position vis-à-vis the alliance is an acceptable objective for the great power. Under these circumstances one might conclude that the small state must have a retaliatory capability sufficient to destroy value equal to its own undamaged value (to its great-power ally) plus its residual value (to its great-power adversary). One is thus led to the paradoxical conclusion that the weapons requirements of a small state are greater if it has allies than if it does not. This is, of course, true only if the small state derives no protective strength from the alliance in a major crisis, and yet contributes to the long-term strength of its great-power ally. There may be such situations, but from the point of view of the small states they are very poor alliances indeed!

III. The Conditions of War Initiation

At present both sides have relatively poor active air defenses and virtually no passive defenses. Certainly, active defense of the civilian population will be increasingly difficult, particularly in view of the threat posed by ballistic missiles. At the same time, it is unlikely that either side could destroy the retaliatory capability of the other; and this contingency will grow even more remote as warning capabilities increase and more varied delivery systems become available. Considering these factors, and the damage that is consequently to be expected to both sides in the event of a thermonuclear exchange, one must conclude that a global war can come about only in the event of a technological breakthrough, a mistake, or irrational acts by one or both sides.

One side may make an erroneous intelligence assessment of the other's intentions[9] or capabilities, and on that basis attack. If either side should feel that a surprise blow was imminent, it might strike first in the hope of at least reducing damage to itself by reducing the strike capability of the adversary. It is perhaps less likely that either side would underestimate the capabilities of its adversary and strike in the expectation that he would be unable to counter effectively.

There is the possibility that a sudden technological breakthrough by either side would give it a transitory advantage so great that it would decide to deliver a first strike while the advantage still obtained. The fact that we once had (and to a degree no doubt still have) such an advantage, but refrained from using it even when strongly provoked,

[9] An attack on this basis, of course, carries the inference that the enemy is irrational or that there is also an error with respect to capabilities.

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strengthens the conclusion that such a breakthrough by the West would not result in war. There is, of course, no evidence to suggest that the same conclusion applies to the Soviet Union.

It is perhaps more likely that a general nuclear war will develop out of hostilities on a lesser scale. As a result of a series of political, economic, and military moves, one side may find itself backed into a position (difficult as it is to imagine) where it feels it has no response less damaging to itself than initiation of general nuclear war.[10] This is more likely to happen to the West than to the Soviet Bloc for three reasons:

(1) In view of their aggressive policies, the Soviets are more apt to undertake provocative courses of action than is the West—as, for example, in Korea, Indo-China, and the Middle East, where they have at least poured fuel on several recent fires.

(2) In the areas of the world—particularly Europe—where Soviet aggression would have the gravest consequences for the U. S., the U. S. may find itself with such a paucity of tactical forces as compared with the USSR that it may have virtually no response available other than direct retaliation against the Soviet Union. If present trends continue, the reverse situation is not likely to obtain (though in an exchange of nuclear weapons wherein geographic limitations are progressively relaxed, bombs could conceivably fall on the U. S. before they do on the USSR).

(3) The Soviets are not likely to believe that the long-term trend is against them. As Kissinger has pointed out, acceptance of such a conclusion would require radical change in Soviet doctrine.[11]

In recent months limited war in Europe has become a more likely prospect than heretofore. The Soviets have made various threats against Austria in connection with their difficulties in Hungary. They have also made menacing statements with reference to the placement of offensive capabilities in the various countries on their periphery. More outright blackmail may be a possibility in the not-too-distant future; indeed, we have already seen a feeble attempt at this in the Soviet threat of missile attack on the United Kingdom in connection with the Suez difficulty.[12]

Thus, in examining the military problems of Europe, it is necessary to consider a number of possibilities. Below the level of actual conflict, there are the possibilities of Soviet nuclear (or other) black-

[10] Indeed, it is so difficult to imagine such a situation that one is forced to regard such a response as irrational when the enemy's retaliatory capabilities are sufficient.

[11] *Op.cit.*

[12] Cf. Hans Speier, "Soviet Atomic Blackmail and the North Atlantic Alliance," *World Politics*, IX, No. 3 (April 1957), pp. 307-28.

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mail and of economic warfare. At the lowest conflict level there may be fighting between a Soviet satellite and a NATO nation, which would strongly resemble a Korean-type war fought with geographic limitations and with conventional weapons supplied from the outside. In view of the recent events in Hungary and Poland, it is almost certain that Soviet troops would play a more active role than in Korea; the U. S. might have a less active role. The scope of such a war might be expanded by a relaxation of either geographic or weapons constraints or by a partial relaxation of both. Thus a general war in Europe in which only conventional weapons are used must be counted a possibility. As a result of choice by either side, nuclear weapons might be used without strategic bombing, i.e., with a restriction on weapon-usage so that neither the U. S. nor the USSR is subjected to attack.

IV. Weapons-Systems Requirements and Military Policy

Let us now consider desirable weapons systems and military policies in the light of the foregoing discussion, looking at the problems from the point of view first of the United States and then of Europe.

Analytically, the problem of U. S. and USSR requirements for global nuclear war is perhaps the simplest. If it were not for the existence of neutrals, our allies, and the Soviet satellites, and if one accepts the earlier statement of objectives, our policy could be simple indeed: put enough effort into the development of an adequate retaliatory capability, with some consideration to defense (perhaps mostly passive) against a thermonuclear attack. The importance of the weaker nations to us and to the USSR makes it necessary to consider the allocation of resources to the third area: limited war (or the defense of allies and neutrals and the liberation of the satellites). However, at this point let us consider the U. S. position in Europe (and elsewhere) only from the point of view of its importance in global war. The first requirement is for an adequate offensive capability. If one accepts the idea that this capability is only for response to a Soviet-initialed global war, then the capability must be such that a substantial fraction can be launched following an attack by the Soviets. Quite possibly U. S. nuclear capabilities located on the Soviet periphery would compound the enemy's attack problem and might also draw fire away from the U. S.[13]

[13] The long-term possibilities of providing a secure system based near the periphery are, on the basis of technological capabilities, probably restricted to weapons the security of which is dependent on their frequent movement. One arrives at this conclusion from a consideration of ballistic missile capabilities. Flight times for these weapons will be so short that one cannot rely on early detection and rapid launching of one's own weapons as a means of ensuring retaliation. Moreover, the prospects for active

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These are the two advantages to the U. S. of establishing such capabilities on the periphery for the case where the Soviets strike first.

But, as suggested previously, there are circumstances under which we may be at least as likely as the enemy to launch the first nuclear attacks in a general war. In this case, of course, the problem of vulnerability of our offensive systems disappears (if we can launch a sufficiently large attack) and a new problem arises: that of destroying as much as possible of the enemy's offensive capabilities rather than simply destroying his population. Several European-based offensive systems might meet the requirements for this kind of attack, particularly in the later time-period as delivery accuracies improve. The biggest problem might be collecting accurate intelligence on Soviet sites. Were this available, a system of accurate high-yield ballistic missiles deployed around the periphery of the USSR could conceivably threaten destruction of much of the Soviet offensive capability. Thus, the arguments in favor of European basing for the case in which the U. S. strikes first would appear to be as strong as for the case of a Soviet first strike. It is no wonder the Soviets are making ominous threats about the consequences of U. S. offensive systems on their periphery.

In this connection it might be noted that even as offensive weapons have been regarded as more menacing than defensive ones in the past, so must both sides now come to regard precision-delivery systems that are vulnerable to enemy attack as more threatening and provocative than those which are designed to function in spite of enemy attack and are clearly of a retaliatory nature. Thus, maintenance of vulnerable delivery capabilities clearly makes the balance between peace and war increasingly precarious. There is nothing so ominous as a poorly protected precision-delivery system; both sides should from that point of view welcome with relief the replacement of the manned bomber by the intercontinental ballistic missile and the submarine-launched missile.

Before leaving the subject of U. S. posture for global war it seems appropriate to consider briefly the problem of population defense. As pointed out above, the prospects for active defense seem poor. However, it is apparent from data available on nuclear-weapons effects that passive-defense measures could achieve reductions in lethalities of 50 per cent rather easily.[14] Such small reductions might force the Soviets to

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defense against such missiles are dim. Finally, passive defense, i.e., making bases, etc., relatively invulnerable to blast, must be regarded as at best an interim measure, particularly at the short ranges involved, because of the almost certain eventual attainment of high accuracy and large warhead weight for Soviet ballistic missiles.

[14] *Manual of Civil Defense*, Vol. I, Pamphlet I, *Nuclear Weapons*, London, Her Majesty's Stationery Office, 1956. This source conveniently summarizes data on large-

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develop a larger offensive capability, and we might thereby extend the time-period during which we would have as much freedom of action as, say, our present position vis-à-vis the Soviets permits. But over the long term, efforts at passive defense may be uneconomic compared with the cost to the enemy of neutralizing them. Qualitatively the strategic picture will not change, though the distribution of damage among the various elements of strength may be altered.

What of U. S. requirements for limited war, particularly in Europe? For the moment, let us neglect the possibility of independent European action and consider that the major burden, at least in any war of appreciable magnitude, may have to be borne directly or indirectly by the U. S. If the nuclear offensive capabilities are really mutually neutralizing, then a global war must be regarded as an irrational response to any move in Europe; it can only happen as a result of error, and can *not* be a deliberate response in U. S. (or Soviet) policy. To be in control of the limitations that apply to any war in Europe, the U. S., as was pointed out previously, must have the capability of making the war even more unattractive to the Bloc at all expanded levels. Thus, if we should wish the war limited to the usage of conventional weapons only, we must have the capability of making the use of nuclear weapons even more unattractive to the Soviets; if we wish the war limited geographically, its expansion must be more unattractive to the Soviets. This is, of course, merely a restatement of the concept of graduated deterrence; we limit the war by having a capability that deters its expansion. For this purpose it is important first of all that we be able to deter general war, then limited war at a very high level, i.e., one limited only by excluding strategic nuclear bombing of the U. S. and the USSR, and so on down the scale. How far we go depends on what we are willing and able to pay, on how willing we are to increase the

yield weapons based on results released by the U. S. Atomic Energy Commission for the explosion of March 1, 1954. From it one can estimate that the fallout from a large weapon will result in a lethal area (an area enclosed by a contour within which 500 or more roentgens will be received in 36 hours) of perhaps 3000 square miles. One can also calculate that a person completely protected from radiation for a day or two, but exposed thereafter, will receive by the end of three months about one-half the radiation that he would have received without any protection at all (assuming fallout occurs after several hours); to reduce the radiation dosage to one-tenth, complete protection for about a month after the explosion would be required. It can also be seen from *Nuclear Weapons* that areas enclosed by isodosage contours are approximately proportional to the reciprocal of the dosage on the contour (at least over the range 300 to 800 R). Thus, one might expect that a shelter program which provided complete protection for a month would not reduce lethalities by a factor of more than about 10. Similarly, one- to two-day shelters would reduce casualties by perhaps one-half. Some further reduction in casualties would be possible, of course, if a decontamination program were instituted as soon as people came out of shelters.

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scale of conflict to a level advantageous to us, and on our estimate of the enemy's assessment of that willingness.

In summary, we should have the capability of winning the war at any possible level while deterring its expansion; or, if we cannot do this, we must be prepared to expand it to some level at which we are able to win while deterring its further expansion. If we are unable to do the former and unwilling to do the latter, the best we can expect are more Koreas (than which there are, of course, worse alternatives).

Next let us turn to the problems of policy and force posture from the point of view of the European countries or of other weak nations. The nations of Europe must be concerned about three threats, at least: (1) damage (mostly fallout) if a neighboring state is attacked with nuclear weapons; (2) in a global exchange, attack by the USSR against offensive capabilities based on their territories; and (3) direct attack or blackmail by the USSR (or a satellite).

Against the first threat there is little the small nation can do aside from making clear its intent to retaliate in such a contingency or developing a passive defense system to reduce casualties as much as possible. As in the U. S. case, reduction by about 50 per cent would appear to be entirely feasible; reduction by 90 per cent might be technically feasible, though perhaps not financially so. Actually the prospects are better than this. In such a situation, much of the area of greatest radiation intensity, against which shelters are least effective, will usually lie in the country attacked, so that the reduction in casualty rates in neighboring countries may be substantially greater than indicated above. And, of course, as previously pointed out, other measures may further reduce casualties.

The European nation's solution to the second threat is obvious. In a global war, the only really worthwhile targets from the Soviet point of view will be retaliatory capability. Hence the best chance for survival for the Europeans in a global war may well be in not having any retaliatory capability based on their soil. Admittedly, in such a circumstance, Europe may fall into Russian hands; but from the European point of view this will clearly be preferable to nuclear destruction. And after the effects of a U. S. attack on the USSR are felt, it must be doubted that the Soviets would be in much of a position to control Europe; then the Europeans may be in a position to pick up the pieces.

A policy of exclusion of nuclear weapons leaves Europe open to nuclear (or other) blackmail and direct attack.[15] If a choice is to be

[15] There is also the threat of blockade, particularly in the case of the U. K.

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made between having and not having nuclear capabilities on his soil, the European must weigh the expected damage from global war and from limited war in the two contingencies. If nuclear weapons offer a substantial chance of averting limited war, and if he regards the probability of global war as small and the probability of limited war in the absence of such weapons as large, then he must choose to have the weapons. However, to have weapons on his soil which are controlled by the U. S. offers him the worst of the possible choices. He will be severely damaged in a nuclear exchange;[16] yet he may have no say as to whether such weapons will be used in his defense in a limited war. Neither he nor the USSR (nor for that matter the U. S.) can be sure that we would use such a capability at the risk of triggering a general war or even a large-scale limited war just to repel a localized Soviet threat. One is almost forced to conclude that the U. S. will not be permitted to develop a *U. S.-controlled* capability abroad, especially as our willingness to engage in a nuclear exchange declines and the consequences of nuclear warfare become better known. For some time there may be nations which will permit U. S.-controlled capabilities on their soil, i.e., countries with poorly informed publics, those that are so poor that they can be bought, and particularly those whose governments are not responsive to public opinion. But most European nations are not in this category.[17]

The alternative to a U. S.-controlled system would be the establishment of nuclear capabilities in Europe (or, perhaps better still, outside of Europe, including some sea-based missiles) that are not under exclusive U. S. control and are of sufficient strength to deter major war or nuclear blackmail in Europe. There are at least three variants of such a proposal that come to mind: (1) in the event of a high degree of European federation, the European part of NATO (or perhaps several countries closely allied) could jointly control a capability sufficient to create very substantial damage in the USSR; (2) a jointly run system might be developed whereby representatives from each nation would be able to trigger the whole attack capability regardless of the wishes of the others; and (3) each of the major nations of NATO (perhaps all) might be provided with a sufficient nuclear capability.

[16] Logically, though perhaps not practically, there may be an exception to this; if an offensive system is absolutely secure there will be no incentive for enemy attack (except perhaps a desire to destroy population).

[17] The price of "buying," say, one of the northern European nations might conceivably be a civil-defense and warning system, and location of offensive capabilities in remote areas, such that their destruction would cause little damage to the host nation—probably an impossible requirement.

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The first varient is predicated on a far tighter alliance than now seems probable in the near future. The requirement here is for a NATO executive agency truly responsive to the interests of all rather than of any one nation. In theory, the U. S. and Canada might also delegate their executive responsibilities to such a supranational authority. But it must be doubted that within the next few years even a European federation could be so strong that those in control of the offensive capability would release it if the USSR were clearly threatening only a portion of the federated area.[18] The second system proposed above would avoid this difficulty, in that no country or group could prevent the launching of an offensive if any one country deemed such to be necessary.

Almost certainly, the most realistic arrangement would be the development of independent offensive capabilities in each of the major nations.[19] Indeed, it is just a matter of time before this development will occur in some, even without U. S. help. It is already well under way in the United Kingdom. From the European point of view this would seem to be the obvious alternative to having no offensive bases at all. However, the development of a substantial offensive capability for each of the several NATO countries (and perhaps others, such as Sweden and Switzerland) raises serious problems, some of which are discussed below.

One of the first questions that comes to mind is cost. Can the several small European nations each afford a capability for substantially damaging the USSR? Very likely not, if they are all forced to develop the capability on their own. The British probably can, and will, afford the capability, although apparently with some U. S. help in the form of delivery vehicles; even though they feel they cannot afford to defend all their worldwide interests, they seem to have made the decision that they can afford this kind of defense for the U. K. But it is the development of such a system, not its procurement, that requires vast resources.

[18] There may be some exceptions. Belgium and the Netherlands are so small and so close together that a large nuclear weapon exploded over one would cause great damage in the other. Thus, there may be an unusual willingness to surrender national prerogatives in such an instance. Indeed, this suggests that the area of common interest among separate states in a nuclear age may be of the same order as that susceptible to damage from a single weapon. The existing cohesiveness of the larger states is probably sufficient to insure unity of action within each one even though only a part of it is directly threatened.

[19] Most of the arguments cited here would seem to apply to many other areas of interest to the U. S., with some modifications. In these other areas, development of indigenous nuclear capabilities would entail greater risks because of lesser degrees of political stability and responsibility. Also, delivery systems would be more costly for countries such as Japan because of the requirement for greater range.

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If the U. S. were willing to supply each of the nations with weapons at cost, the cost to each might be less than, or comparable to, that required for the maintenance of its present military posture. The requirements are small. As pointed out previously, in order to insure a net loss to the USSR in a nuclear engagement which the Soviets regard as limited, the small state need have only enough offensive capability to destroy as much value in the USSR as is likely to survive the exchange in the small state (or perhaps that plus the initial value of the small state). Thus, for a country like Belgium, the capability of destroying just Moscow and Leningrad would probably be sufficient. While recognizing that Soviet values and ours may differ substantially, we may still get some idea of approximate requirements by considering population; the requirement, then, is destruction of Soviet population in an amount somewhat less than that of the small state (or perhaps somewhat less than twice that of the small state). This may put an artificially high value on the small state to the USSR, particularly considering the difficulties the Russians have had with some of their satellites recently; however, let us simply assume that each small nation must have the capability of destroying a Soviet population equal to its own. Thus, for Greece and France respectively, the requirements are for capabilities of destroying about 8 and 45 million Russians. One can get some idea of the cost requirements for this by considering the lethal areas of modern weapons, and their delivery costs. A rough measure of the cost of maintaining a delivery vehicle, about one and one-half million dollars per year, can be obtained by dividing the Air Force budget by the number of aircraft in its active wings. It would seem unlikely that maintenance costs of missile delivery capabilities would differ from this figure by more than a factor of 10. One might argue that the cost of nuclear warheads is likely to be more important than delivery-system costs. But simply compare the Air Force budget (about $16 billion for 1957) with that of the Atomic Energy Commission (less than $2 billion for 1957), bearing in mind that our nuclear stockpile is growing while our Air Force remains roughly static in size. One must conclude that the cost of amortizing and maintaining a nuclear warhead is probably far less than that of a delivery vehicle (unless missile delivery systems are much cheaper than aircraft). Using these estimates and the estimate of the lethal area for a nuclear weapon mentioned in the discussion of passive defense, and assuming random distribution of hits over the more populated parts of the USSR, one concludes that the current annual costs of sufficient nuclear retaliatory capabilities for Greece and France would be about $18 million and $90 million respectively. These

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figures can be compared with defense expenditures for 1956 of about $135 million and $3.5 billion for the same countries. Even if the actual costs of adequate capabilities are ten times greater than the above estimates, it can be seen that the costs will still be comparable to present budgets. If the cost estimates are approximately correct or even too high, it would appear that many small states could afford a nuclear capability sufficient to make any nuclear exchange with a great power a total war from the point of view of the great power as well as from that of the small state.

Regardless of vulnerability, retaliatory capabilities of the type implied above could be effective in the event of a Soviet blackmail threat or conventional attack. However, considering the possibilities that such aggressive actions might be preceded by destruction (possibly by clean weapons) of vulnerable retaliatory capabilities, the possibilities of mobility among sites and of sea-basing merit consideration. The latter (in particular, submarine-based) capabilities would probably be more costly than the figures above indicate, but hardly sufficiently so as to change the conclusion that nuclear weapons are a very cheap means of destruction; so cheap, in fact, that the great disparity in strength between the large and small states will be partially mitigated as their possession becomes more common. The only very hopeful defensive means in sight appear to be of a passive nature, and in this area costs will be approximately proportional to population.

Procurement of nuclear offensive capabilities by the small nations would seem to meet at least some of their requirements. Such capabilities could be sufficient to meet all threats, provided those in control were willing to use them in all cases. Yet strategic nuclear capability would permit limitation of the conflict only at a very high level (at least from the point of view of the small state). The small state might well consider the level as too high for a threat that it regarded as limited, and might therefore be unwilling to use a nuclear response to meet such threats as land-attack or sea-blockade. To meet these contingencies in the absence of such a willingness would require more costly conventional forces (including possibly nuclear weapons for tactical use), and certainly allied action on the part of the small states. However, even though they may deter nothing except nuclear attack by the Bloc, nuclear retaliatory capabilities (plus police forces for preventing subversion) may be about the only feasible system for most of the smaller nations.

The United States has already indicated some unhappiness about British moves in the direction of relying on nuclear retaliatory capabili-

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ties at the expense of conventional forces. These moves mean that we must either accept the fact that a nuclear response may be the only possible one for the United Kingdom, or we must ourselves take on responsibilities beyond those we have already assumed with previous diminutions of British power. Thus, if Britain and the Continental powers reduce their conventional forces in favor of nuclear offensive capabilities, the U. S. will have to increase its conventional forces if it wants any non-nuclear responses to be available to the West for limited war. There is no point in arguing that such a distribution of the burden is inequitable; we must expect the weaker powers to take advantage of us by forcing on us as much of the burden as they can. The weak state needs to contribute only enough to insure that its general utility, together with its military contribution, is sufficient so that the strong ally will prefer not to lose it but rather to make the additional military effort required to hold it. Since the weak state knows that we are not willing to initiate general war in order to save it, it must have a sufficient nuclear capability to obviate our having to risk such a war on its behalf. On the other hand, the small state does not have to have a substantial limited war capability if it is in the U. S. interest to help in its defense against a limited threat. One must conclude that an alliance can provide protective strength for the weaker of two nations only with respect to wars which the stronger ally can regard as limited; when small states have substantial nuclear capabilities, then they have need for alliances only with regard to threats which they consider limited.

However, the situation with respect to the adequacy of nuclear retaliatory systems for limited wars is not quite as bad as indicated in the two preceding paragraphs. Even in the absence of a firm resolve to use these weapons on moderate provocation, they may be effective because of Soviet uncertainty about this resolve; this will be particularly so if each nation has a supply of nuclear weapons somewhat in excess of its own minimum requirements. If the Soviets contemplate aggressive action against a number of these states, they must consider the compound probability that some will retaliate. Probing to find out which ones are determined to use their capabilities would clearly be a risky business. Thus, in its very disunity there might be elements of strength in Europe.

The discussion so far has been restricted to defense and deterrence by European states; let us now ask the question, what are the offensive implications of European-controlled offensive capability? Would such a capability permit the European nations effective interference in the

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satellites—e.g., West Germany in an East German revolt? It *could*, provided, in the example selected, that the offensive capability of West Germany were sufficient to destroy value in the Soviet Union equal to that of East Germany (or perhaps twice that). That it *would* is more doubtful, for the Soviets could obviously respond with sufficient vigor to insure a net loss to West Germany. Thus, both sides would be sure to lose if the West Germans made such a blackmail attempt and were called by the Soviets. The same logic applies to all issues between any two states with adequate supplies of nuclear weapons. Victory in the sense of making a net addition to resources becomes impossible with very moderate weapons supplies; victory in the sense of achieving a relatively stronger position may be impossible with slightly larger stockpiles. Thus, limited war may be ruled out as an instrument of policy provided the willingness to use the capabilities exists. The point to be recognized is this: if the small states have substantial nuclear capabilities coupled with a determination to use them if necessary, a mechanism is provided by which the large and the small states can negotiate from positions of perhaps equal strength (weakness?).

Before leaving the subject of European-based offensive capabilities, let us consider the comparative adequacy of U. S.-controlled and European-controlled capabilities for dealing with limited threats to Europe. From the Soviet point of view and from ours, a response to a Soviet attack on Europe which came from U. S.-controlled European bases would certainly be preferable to a response from bases in the U. S. itself; there would be less ambiguity with respect to expansion of the conflict. But surely response by a European-controlled capability is even more unambiguous. Thus, one may regard the development of European capabilities discussed above as an example of graduated deterrent capabilities with especially clearly defined limitations. Though U. S. deployment in Europe might contribute to our graduated deterrent capabilities, it would seem only slightly better than a U. S.-based capability, and definitely inferior to a European-controlled capability (and probably not acceptable to the Europeans anyway). Of course there is implicit in the widespread distribution of nuclear weapons a greater risk of irresponsible usage. Insofar as the U. S. can influence events, this disadvantage must be weighed against the advantages for deterrence.[20]

[20] In the absence of an effectively policed disarmament system, it is unlikely that the development of nuclear capabilities by small states can be long deferred. It is less a question of whether the smaller nations should have such capabilities than of when. It would seem likely that such developments would be more disadvantageous to the USSR than to the U. S.

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In summary, the problem of global war would appear to be unimportant from the European point of view. It might start as a result of events in Europe, and Europe might be embroiled, depending probably on whether or not nuclear offensive capabilities were located there; but such a war is certainly not the greatest threat to European security. From the U. S. point of view, it is at least arguable that the threat of global war is the most dangerous we face. In any case, though, its deterrence is an easy problem analytically and probably even technically. The prevention of a war which would be total for the small state but limited for the great powers is also susceptible to easy (though perhaps risky) solution, by providing the small state with adequate nuclear capabilities. The really difficult threats with which we must contend are those which both the small and the great powers regard as limited. With respect to these, there is virtually no hope that the small states can maintain adequate conventional forces. Strategic nuclear capabilities in their hands *could* be sufficient as a deterrent; indeed they may be. But if the United States is unwilling to accept the risk implicit in the assumption that they are, then we must make up the difference between the capabilities of small states and what we estimate to be their willingness to use such capabilities.

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ATTITUDES OF NATO COUNTRIES TOWARD THE UNITED STATES*

By C. M. WOODHOUSE

SELF-CRITICISM has been a characteristic of NATO ever since it was established. We are perhaps too inclined to pull up our institutions by the roots from time to time to see how they are growing. But whether this is a good habit in the ordinary way or not, it is something that was virtually bound to happen in 1957, after the most critical twelve months that the Western nations had experienced since the Second World War. Nineteen fifty-six began with a widespread feeling of relief that the danger of a major war in Europe (the only kind of war that seemed possible) had greatly receded. Before this feeling of relief had time to wear off, there supervened a series of crises that shook NATO to its foundations. There was a virtual state of war in Algeria (itself a part of the NATO area), and many of France's best troops were withdrawn from Europe to fight it; there was an increasingly bitter dispute involving three members of NATO over the future of Cyprus; there was the Suez crisis, which also involved both NATO interests and troops from the NATO area; and there was the Hungarian revolution, which greatly damaged, if it did not destroy, the hesitantly re-emerging belief in Soviet good faith.

At the same time, or soon afterwards, came evidence that both the United States and Great Britain were re-examining, though for different reasons, the desirability of retaining large conventional forces stationed in Europe. The important thing for NATO about these developments was that the organization as such played no part in any of them, though the alliance was affected by all of them. The same was true of the disarmament negotiations which were going on intermittently throughout this period between the Soviet Union and only four of the fifteen NATO powers; and of those four, only two had the power to make nuclear weapons which they were reluctant to share with the alliance as a whole. All these things combined to make an anxious scrutiny of the functions and the future of NATO inevitable in the course of 1957.

The general problem can be broken down into a number of subordinate questions. This paper is concerned with only one of the possible

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questions—namely, that which concerns the relations of the U. S., which was both the initiator of the alliance and the major partner in it, with the other fourteen partners. Bearing in mind that NATO does not by any means represent the whole of American defense and foreign policy, what changes can be detected in the attitudes of the other NATO powers toward the role that the U. S. has played and the policies that it has evolved since the signature of the North Atlantic Treaty in 1949? This is a difficult subject for anyone to write about from within the alliance, and perhaps particularly difficult for an Englishman. For Great Britain is in a sense the one rival pole of influence to the United States within NATO, and there is a tendency for Europeans (not to mention Canadians) to gravitate toward Great Britain in proportion as they feel dissatisfied with U. S. policies, as well as vice versa. Moreover, when an Englishman enquires from Germans or Greeks what they really think of the Americans, it is hard to believe that they are entirely innocent of the kindly habit, familiar to travelers farther East, of telling the stranger what it is presumed he wants to hear: in this case, how much more popular the English are than the Americans, as well as, again, no doubt, vice versa. And, finally, this question is one on which it is impossible to formulate any categorical statement that does not have to be immediately qualified with exceptions and provisos. The only safe generalization about NATO is that there is no other safe generalization about NATO.

It must be admitted from the start, for instance, that there is no uniform European view of the United States. There is not even a single consistent view common to the people of any one European country: there is no one French view, no one Danish view, no one Turkish view. Each country is divided in its attitude to America on social or geographical or economic or political lines, and these lines themselves fluctuate. America presents different aspects to different people—not deliberately, of course, but because America is naturally complex and various. There are certain stereotyped reactions which are more or less taken for granted, both toward America and on the part of America; but these too are far from invariable. Businessmen, for instance, are normally expected to take a sympathetic view of the U. S.; left-wing politicians are expected to take an unsympathetic view; liberal intellectuals are supposed to prefer to look toward Great Britain; and so on. But there are many exceptions to such generalizations. It is not difficult to identify important business interests in many European countries (and perhaps still more so in Canada) which find themselves from time to time in sharp disagreement with U. S. economic policy,

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even if their fundamental long-term interests are alike. In Italy the leaders of the oil and natural-gas industry quarrel with the big international oil concerns. In Holland the leaders of the air transport business have a grudge against the American authorities' reluctance to grant them certain traffic rights in the U. S. In Canada, United States tariff policy is a perennial grievance. In Great Britain, we hear businessmen (though rarely oil men, I think) assuming that the main object of U. S. policy in the Middle East is to oust and usurp British oil interests there. Such conflicts may or may not be well-founded, but while they exist they are real.

Similar conflicts, cutting across the normal lines which are too readily looked upon as stereotyped, occur also in the political field. American opinion is well-known to be fundamentally hostile to socialism, which it distinguishes only with difficulty from communism. Most people therefore expect the United States to get on better with right-wing governments in Europe than with left-wing governments, and this expectation seems to be shared by American public opinion. But in practice it is not necessarily so. I need only point out that at the beginning of 1957 seven NATO countries (France, Norway, Denmark, Iceland, Belgium, Holland, and Luxemburg) were ruled by governments which were either left wing or coalitions including the left wing. It would be impossible for NATO to survive if the American government found it more difficult to conduct its business with them than with strictly conservative or right-wing governments. We only need to remind ourselves how, in the Middle Eastern crisis of November 1956, the U. S. found itself on the side of the British Socialist opposition and in acute conflict with an alliance between a Conservative government in Great Britain and a Socialist government in France. This episode might perhaps have caused American political opinion to revise its view of the natural alignments of European political parties vis-à-vis the U. S., and to substitute for that view a doubt whether there is any rule in the matter at all.

An examination of electoral swings in the NATO countries during the eight years up to mid-1957 would not suggest that attitudes toward the United States are substantially affected by them, nor can such swings in themselves be taken as significant reflections of attitudes toward the U. S. Taking June 1957 as the *terminus ante quem*, in five NATO countries (the German Federal Republic, Norway, Portugal, Turkey, and Canada) there had been no change at all in the political character of the governments since their adherence to NATO; in two (Greece and Great Britain) there had been a pronounced swing to the

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right in the middle of the period under review, a shift which in both cases subsequently exhausted itself; in three (France, Belgium, and Iceland) there was a swing somewhat to the left in their most recent elections; in Italy a divergence both to the left and to the right at the expense of the center; and in Denmark a slight trend to the right. But in these last five countries, and in the remaining two (Holland and Luxemburg) the governments continued to be basically coalitions, which in all cases included the left wing. What is important to notice is that although in one or two cases (notably Iceland) these changes in the political climate were accompanied by some fear that they would lead to an insistence on the withdrawal of foreign bases (which meant essentially American bases), in no case has this fear actually been realized. It has been proved possible, by the special case of Iceland, for the U. S. to continue to maintain its European alliance intact even with a government that includes Communist ministers. It only remains to add that a change of government in the U. S. early in this period had equally no harmful effect on the strength of the NATO alliance, for the obviously good reason, among many others, that the new American President was the former Supreme Allied Commander in Europe of the NATO powers.

It is clear that there are strong forces of self-interest to hold the North Atlantic alliance together, but these are not the only forces at work. Nor should we underrate counterproductive factors in the attitudes of the other NATO countries toward the United States. These countries also have interests which lie outside NATO, or which do not coincide with those of NATO as such. The boundaries of NATO do not correspond to any natural frontiers: it is impossible to call "natural" frontiers which split Scandinavia, divide Germany down the middle, and leave Portugal, Greece, and Turkey separated from their allies by the exclusion of intervening countries. Strategically, NATO is almost split in half by the intruding wedge of neutral Switzerland and Austria. Economically, the natural groupings of Europe have proved to be either narrower than NATO (for instance, the European Coal and Steel Community and Benelux) or wider than NATO (for instance, the Organization for European Economic Cooperation and the European Payments Union). NATO is thus in no sense a natural, inevitable coalition of powers, apart from the one common interest in resisting Soviet aggression.

Moreover, most of the countries concerned have special private interests which overrun the frontiers of NATO, as well as private grounds of dissension inside them. It is unnecessary to do more than

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list a few obvious examples: the overseas dependencies of Great Britain, France, Portugal, Belgium, and Holland; the special relation of Norway, Denmark, and Iceland with the other Scandinavian countries; the special relation of Portugal with Spain and Brazil; the interest of Turkey in the Middle East through membership in the Baghdad Pact; the dispute (now happily closed) of Italy with Yugoslavia over Trieste, and that among Great Britain, Turkey, and Greece over Cyprus (which is still technically not within the area of the North Atlantic Treaty); the special relation of France with her former North African dependencies; the festering wound of Germany's partition between East and West, as well as the juridically unsettled question of the German-Polish frontier; and so on. In all these cases the European ally expects the U. S., almost as of right, to take its side on the contentious issue; and its attitude toward the U. S. is liable to be determined at times by such considerations as these rather than by the more obvious collective interests of NATO.

These interests external to NATO are frequently of an economic character and therefore harder to resist. Some NATO countries depend to a very great extent on their foreign trade outside Europe. This trade is often with "sensitive areas," notably the Middle East and the Far East, and in some cases also with the Soviet bloc. Such trading interests not infrequently bring the European members of NATO into sharp competition and even conflict both with each other and with the United States. The commercial rivalry of Great Britain, France, Germany, Italy, and the U. S. in the Middle East is a case in point. Another is the situation in the Far East, where several of America's European allies are discontented with American pertinacity in maintaining the economic blockade of China. There are also political grounds for this discontent, which rest in the view that it is unreasonable to continue to deny recognition to the effective government of China—a view shared also by Canadians, conscious as they are of having a Pacific as well as an Atlantic seaboard. In the case of trade with the Soviet Union, the same dislike of rigid American policies prevails in several countries: in Iceland, for instance, 30 per cent of whose total trade is with Iron Curtain countries; and in Denmark, which incurred American displeasure in 1956 by agreeing to build two merchant ships outside the permitted specifications for the Soviet Union.

Every NATO country accepts that some price has to be paid for the alliance, and recognizes that the price may sometimes be the sacrifice of economic advantage. On the other hand, for most of them—and for the smaller even more than for the bigger ones—the defensive al-

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liance also includes solid economic advantages. These take various forms. Belgium, for instance, has a profitable trade with the United States in uranium from the Congo. In Iceland the presence of an American base contributes substantially to the balance of payments. Greece and Turkey, which are the recipients of the two largest contributions in Europe from the International Cooperation Administration and its predecessors, would face a serious deterioration of their general economic position if American aid were withdrawn. But no country wishes to sacrifice its political independence to such benefits, and there have been occasions in recent years when such a threat seemed to exist. In Greece the level of American aid has more than once appeared to be used as a means of exerting political pressure on the government; and in 1952 it was an open secret which party the American Embassy wished to see win the elections, though that fact probably had small effect on the actual margin of success. In Italy the allocation of offshore-purchase contracts has been openly used as a lever in influencing trade-union elections; and in 1953 there was a suggestion by the American Ambassador that American aid might be withdrawn if the political elections went the wrong way. European countries are even more sensitive to the use of economic power to achieve political results than they are to the fear of economic subservience to the U. S.

This distaste became perhaps more marked after 1952, when the election of a Republican President led to much talk of a "businessmen's" government, in contrast to the supposedly soft and even semi-socialist administration of President Truman. It was perhaps nowhere more strongly felt than in Canada, which is unique in the NATO alliance, firstly in being an immediate neighbor of the United States, and secondly in having no dollar problem of the European kind, but on the contrary an economic strength second only to that of the U. S. The key to Canadian reactions to her neighbor is no doubt that, having ceased to be a dependency of Great Britain, she has no intention of now becoming a dependency of the U. S. But it should also be remembered that Canada has had to "grow up" in international relations even more suddenly than the U. S. Having had virtually no foreign policy of her own a generation ago, and having founded her policy since 1949 almost entirely on NATO, Canada has more recently acquired, through the force of world events, wide responsibilities in parts of the world, such as the Middle East and Southeast Asia, which most Canadians would never have dreamed of before the Second World War. This is another example of the impossibility, for the NATO countries, of

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establishing watertight compartments between NATO and the rest of their foreign interests, whether in the strategic, economic, or political context.

Moreover, as the proverb puts it, what is sauce for the goose is sauce for the gander. Like all other NATO countries, the U.S. also has interests lying outside NATO. The most important of these are strategic: from the American point of view, Europe is one sector in a worldwide system of defense. Some of the European members of NATO, particularly those closest to the Iron Curtain, like the German Federal Republic, are inclined to fear sometimes that crucial decisions affecting their security are taken, or are liable to be taken, in the Pentagon rather than at SHAPE. They do not forget, for instance, that the U.S. Strategic Air Command is not under the direction of the Supreme Allied Commander in Europe. They are made uneasy by any suggestion implying even the remotest possibility (as the "Radford Plan" appeared to imply in 1956) that American troops might be withdrawn from Europe. (They are equally aware that the R.A.F. Bomber Command is also independent of SACEUR and that British troops really are being reduced in Europe; but such British policies are relevant to the present discussion only insofar as they tend to reinforce the anxieties caused by American policies.) The key to this anxiety of the European allies is the fear that a strategy may be developed depending too exclusively on nuclear weapons rather than conventional forces. For in that case, the countries lying across the probable route of a Soviet advance in Europe stand in greater danger than the U.S. in any one of the three possible circumstances: nuclear war, nuclear stalemate, or nuclear disarmament unaccompanied by disarmament of conventional forces.

These anxieties are enhanced by the general uneasiness caused from time to time by the personality and pronouncements of Mr. John Foster Dulles. Mr. Dulles has earned much criticism in Europe since he took office early in 1953, but it would be fair to say that it is for what he says rather than for what he does that he is most criticized. Phrases like "agonizing reappraisal," "massive retaliation," and "the necessary art" of going to "the brink of war" have caused many shudders of anxiety, but they have generally turned out on examination to mean not much more than what is already accepted American policy. Particular countries sometimes have cause for personal offense at Mr. Dulles' "off-the-cuff" observations, as the Turks had when he criticized their Press Law at a press conference in 1956; or as the British and French had when they heard his view early in 1957 that, if he were an American soldier in the Middle East, he would rather not have a French and

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a British soldier beside him. Such incidents are offset by examples of carefully designed tactfulness, as when Mr. Dulles joined the Portuguese Foreign Minister in December 1955 in a press communiqué referring to "Portuguese provinces in the Far East," at the risk of offending Indian susceptibilities. But it is human nature to remember examples of tactlessness longer than examples of tact; and it is fairly generally believed in many European countries that Mr. Dulles is not merely an occasionally tactless and clumsy performer in the field of foreign affairs, but a downright dangerous one. The Middle Eastern crisis of 1956 has been widely regarded, not only in Great Britain and France, as strong evidence for this judgment.

It is worth dwelling a little further on the significance of Mr. Dulles, because his personality seems to typify three strands of feeling which are interwoven in the American conscience toward international problems, sometimes to the bewilderment of European observers. These three may be called the beneficent, the ethical, and the legalistic; and they are quite distinct. Mr. Dulles seeks a course of action which is for the material benefit of the free world; he also seeks one that will satisfy the American sense of moral rectitude; and he also seeks one that accords with the rule of law. But there are in reality few situations in which all three criteria can be completely satisfied. The most illuminating test case is the issue of what is called "colonialism," on which at least five of the European NATO powers are liable to find themselves antagonistic to American views because they are still "colonial" powers, and several others (Canada, too) are likely, more often than not, to share their view that the U.S. attitude is naïve.

There is a real dilemma here, for the United States, as represented by Mr. Dulles, wishes to be both the friend of nascent nationalism and the guardian of order. The ethical strand in Mr. Dulles' conscience requires that "colonialism" should be treated as bad and obsolete. The practical, beneficent strand warns him that the forces of anticolonialist nationalism can become disruptive to the free world's peace and prosperity. The legalistic element, which finds its main forum of expression in the United Nations, requires him to treat the votes of that body as mandatory, while his practical reason again warns him that the achievement of independence by more and more ex-colonial or dependent territories is steadily increasing the possibility of an adverse balance of power in the General Assembly. All these conflicting factors came to a head in the closing months of 1956, and few European observers considered that Mr. Dulles came successfully through the test. I am bound to say that I myself do not see how he could have done so.

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I also feel bound to admit my conviction that the events in Hungary in November 1956 provided a complete demonstration of Mr. Dulles' thesis that there are certain situations in which, if you are not prepared to "go to the brink of war," you can achieve nothing at all. The fundamental reason why the Hungarian revolution failed seems to have been that the U.S. government was not prepared to take the ultimate risk of total war with the USSR for the sake of Hungary. Mr. Dulles' sense of morality certainly, and probably also his sense of law, must have told him that everything possible should be done for Hungary: but could his practical judgment of what was best for the free world support the risk involved? Evidently not; and the criticism to which he was thereby exposed in Europe was that of a failure of foresight. He failed to foresee the possible emergence, as in Hungary, of a situation of crucial importance in which his three diverse criteria of right action would be in fatal conflict. And he failed to foresee that in a situation where the U.S. is not prepared to risk total war, she can coerce only her friends and not her enemies.

Once again, however, this is a matter on which there was no unanimity among America's allies. Their views may be said to have ranged from the one extreme (perhaps best represented in France) that an alliance should be "total" and should have led automatically to American support of Anglo-French action in the Middle East, to the other extreme (perhaps best represented in Scandinavia) that the American attitude was juridically correct and therefore right. This divergence is natural, because the NATO allies are themselves still different countries with different interests. They also differ in size and strength. Whereas all are small compared with the United States, some are also small compared with others. Some have had the historical experience of having been subject to others, as Greece was once to Turkey, Iceland to Denmark, and Canada to Great Britain. Many of the smaller countries have suffered war and occupation as result of the quarrels of the larger ones; sometimes they have suffered economically from the trade practices and commercial policies of the larger European powers. And today some are closer than others to the source of danger which NATO was instituted to combat.

These differences of circumstance and experience go a long way toward accounting not only for the allies' different reactions toward American policy as expressed through the United Nations, but also for their different attitudes toward American participation in organizations which are otherwise wholly European. NATO itself of course is the most important case, but not the only one. There are also many separate

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arrangements for the economic and political coordination of Europe, and it must be remembered that the North Atlantic Treaty too contains provisions for economic and political coordination as well as for defense. There are thus three more-or-less distinct contexts in which the European allies have to decide how much American participation they want—economic, strategic, and political; and it is not surprising that they sometimes give different answers in different contexts, as well as different answers from each other.

It would take too long to discuss these differences in detail, but a few general observations may be risked. First, in the economic context, it is the small, industrialized, low-tariff countries like Belgium and Luxemburg which, having suffered in the past from the commercial policies of larger European powers, now stand to gain most from schemes for economic integration; and it is natural that they should welcome the moral and practical support which the United States gives to such schemes. To take the other extreme, Great Britain has always viewed with great uneasiness the American enthusiasm for European economic integration, for reasons which need not be elaborated; and even now the British interest in a European Free Trade Area is not due to any change of heart, but simply to the fear that European economic integration may be about to become a fact in the Common Market, and may operate to Great Britain's disadvantage. Thus although all the allies welcome U.S. economic support of the alliance, there are different attitudes toward the advice which accompanies it. No one would suggest, however, that the U.S. should become a partner on equal terms in any of the organs of economic integration, for this would certainly be one of the cases where, in George Orwell's words, all animals are equal but some are more equal than others.

In the strategic and the political context the same does not apply. For in the strategic context the United States is already a partner on equal terms in the appropriate organization, which is NATO, and no member of the alliance could possibly wish for her withdrawal. Some countries, particularly those closest to the probable line of any Soviet advance, like the German Federal Republic, France, Belgium, and Holland, attach even greater importance than the rest to the physical presence of large numbers of American troops in Europe; among others, particularly the Scandinavians, there is a fear that the presence of American forces on their soil may itself be provocative to the Soviet Union; and in some, notably Great Britain, there have been moments of fear in the last eight years that the U.S. may be almost too ready for global war at a moment's notice. But none disagree about the indis-

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pensability of the U.S. as an active partner in any scheme for the defense of Western Europe. It is common ground that neither NATO nor any other defense organization in Europe could exist without American participation. In the political context, on the other hand, there is no such common ground about the participation of the U.S. or Canada in plans for the political integration of Europe. This seems to be at least part of the meaning of the lukewarm reception accorded at the Council of Europe in May 1957 to the so-called "grand design" presented by the British government, insofar as it entailed American and Canadian participation in a political merger of European organs of cooperation.

As these examples among many others show, unanimity in Europe toward the U.S. is a very exceptional phenomenon. This is not to say that it has never occurred in the years since 1949. There was virtually unanimous approval in 1950 of the American initiative in resisting aggression in Korea, if only because all the European NATO countries realized that one day they might be the victims of similar aggression. There has also occasionally been virtual unanimity in disapproval of certain features of the American scene: toward what is still called McCarthyism, for instance. Some recent episodes in the American handling of racial problems have also evoked nearly complete unanimity of a different kind in Europe: that is to say, unanimity in approving the U.S. government's policy and in disapproving hostile reactions in parts of the U.S. against that policy. But these are episodic examples. It is difficult to find any continuing attitude toward any continuing phenomenon on the American scene, and therefore difficult to detect significant changes in such attitudes. Perhaps the one exception is that the older generation in Europe tends more or less unanimously to dislike, and the younger generation to enjoy, and neither to be quite sure exactly what they mean by, the "American way of life."

We should not forget, however, the forces of sentiment which link Europe with the United States. Every European country that belongs to NATO has sent emigrants to the U.S., and many of their descendants are conscious of their ancestry, while few nurse continuing grievances against the circumstances which caused their ancestors to emigrate. This fact has profound but varied and often undefinable effects. There are, it has been calculated, just about as many U.S. citizens of Luxemburg descent as inhabitants of Luxemburg today; and although this striking ratio is not reproduced in the case of other NATO countries, one cannot doubt the significance of similar sentimental factors elsewhere. There is, for instance, the very large number of Catholic Italian-Americans

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who visited Italy in the Holy Year; and the considerable preponderance of Greek-Americans over Turkish-Americans is a factor liable to affect the U.S. attitude toward the Cyprus dispute. One cannot doubt, even if one cannot assess, the strength of such intangible links of sentiment as the tradition of Lafayette in Franco-American relations; or the fact that two recent British Prime Ministers had American mothers; or that General Patton, the liberator of Luxemburg, is buried in that city; or that Norway produced both the first man to hold the post of Secretary General of the United Nations in New York, and, at only one generation's remove, the present Supreme Allied Commander in Europe. It seems likely in the long run that such things, and others even more imponderable, contribute toward building up a feeling on both sides of the Atlantic that our partner, with all his faults, is fundamentally sound.

It may be, however, that these particular imponderables operate only on a fairly sophisticated level of intercourse between Europe and America, and hardly at all on the level of the man in the street. At this latter level one must admit that no sense of affinity and sympathy between Europeans and Americans can be taken for granted. It may exist in individual cases, and such individual cases may be very numerous, but they do not establish a general rule. We must recognize that the great majority of G.I.'s in Europe do not like being there, and the great majority of ordinary Europeans resent being dependent on their presence. These are facts, and they must be faced. But they can be doubly qualified. First, these reciprocal attitudes have different force in different countries; and it is a remarkable fact that of the four largest countries in Western Europe, the two in which there is at present the greatest mutual sympathy with the U.S. are her two principal enemies of the Second World War, Germany and Italy; and the two in which there is at present the least mutual sympathy with the U.S. are her two principal allies of the Second World War, France and Great Britain. The second qualification is that although these negative feelings may be those of a numerical majority of both Europeans and Americans, these majorities are relatively unimportant and are not decisive. In all countries today, even in democracies, effective decisions in these matters are not taken by popular referendum. It is the overwhelming minority that counts. And the minorities that govern every single one of our countries are unanimously convinced that, whether they and their public opinions like it or not, national self-interest absolutely requires the maintenance of the European-American alignment.

Although there can therefore be no doubt about the basic alignment

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between Western Europe and America, there are many Europeans who question whether the specific alliance, the North Atlantic Treaty, is secure; and also whether the idea of an Atlantic community corresponds to any reality. Probably the North Atlantic Treaty is only secure, and the Atlantic community only has a chance of becoming real, so long as the Americans are physically present and seen to be present on European soil. But will they always be present? There are at least two sets of factors which might militate against such a possibility, one on the American side and the other on the European side. The very knowledge that these factors exist must to some degree tend to weaken mutual confidence.

Firstly, there are American isolationism and American self-sufficiency. American isolationism is not regarded by Europeans as defunct. On the plane of human relations, they notice the nearly complete isolation in which American troops live, as a matter of deliberate policy, in U.S. bases in Europe. On the strategic plane, they know that there are American generals who argue that the intercontinental ballistic missile will eventually guarantee American security without the need for bases in Europe. On the economic plane, they know that Europe's importance to the U.S. (apart from denying her resources to the Communist bloc) is as a market for American goods; and the market by itself does not require a large-scale American presence there. Hence the anxiety of many responsible Europeans to involve the U.S. as deeply as possible in international institutions based in Europe.

Secondly, however, there are Europeans who believe in the possibility of European self-sufficiency and European neutrality: the idea of the Third Force. Such people positively look forward to the day when the Americans will be out of Europe, and Europe will be able to stand on her own feet both strategically (by possessing the hydrogen bomb) and economically (by establishing the Common Market and the Free Trade Area). This conception of autarky is perhaps less attractive to small European states than it may be to some larger ones, since it would once again expose the former to domination (albeit peaceful domination) by the latter, which is exactly what they want the Americans in Europe to prevent. The idea is already abroad, however, even if only dimly formulated; and it serves to show again, complemented as it is by American isolationism, both that there is no automatic unanimity in European attitudes toward the United States and that, short of war in Europe, there is no automatic community of interest between the U.S. and Western Europe.

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It may be thought that I have elaborated the background in such detail to conceal the fact that I have little to say about changes of attitude in the NATO countries toward the U.S. since 1949. But no: I have done so in order to emphasize that fact, not to conceal it. For what has really taken place in our attitudes toward the U.S. and its policies in the last eight years is not change but simply fluctuation. These are two very different things; and how different they are can be seen by considering the two most obvious and probable attitudes that could be held toward the U.S. by her allies—fear and admiration. If one could say that in the last eight years fear of the U.S. had given way to admiration, or admiration to fear, that would indeed be an important change. But that has not happened, for the simple reason that both attitudes toward the U.S. have coexisted throughout in the minds of her allies. These attitudes have not displaced each other; they have been present all the time, and they have been directed impartially toward the same phenomena in the United States—her strength, her beneficence, her longing to be popular, her impatience, her preoccupation with morality and law. Fear and admiration have operated at all the levels on which Europe and America have come into contact: on the economic plane, fear of America's strength and ruthlessness, and admiration of her generosity and prosperity; on the plane of defense, fear of the Pentagon's impatience and its preoccupation with hydrogen bombs, and admiration of America's determination to protect Europe as well as herself; on the political plane, fear of America's naïveté and *Realpolitik*, as well as admiration for her sincerity and open-mindedness and fundamental sanity. There has been no real change in any of these respects since 1949. All that has happened is that from time to time these attitudes have fluctuated relative to each other.

It is impossible to do more than indicate the main events that have caused these fluctuations in the last eight years, and the nature of the main fluctuations. It is necessary to distinguish first those events that have affected U.S. relations only with one particular country from those that have affected her relations with Europe as a whole. Among those which concern only particular countries, there is again an obvious distinction to be made between those which have made the U.S. popular and those which have made her unpopular with a particular country. In Germany, for instance, the Berlin airlift and the restoration of sovereignty earned great popularity for the Americans; in Italy, the settlement of the dispute over Trieste did likewise; and so, in Greece and Turkey, did their own admission to NATO. On the other hand, incidents making for unpopularity were more numerous and longer

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remembered. In France, there was the American failure to support adequately the war in Indo-China, and later the war in Algeria. In Great Britain, both the loss of Abadan and the withdrawal from the Suez Canal Zone were largely blamed on the Americans. In Scandinavia there was strong disapproval of the U.S. policy of rehabilitating Spain and establishing bases there. In Greece and Turkey again, the U.S. earned criticism from both governments for opposite but complementary reasons, in the Cyprus dispute. In Canada, there was the shock of the apparent revival of McCarthyism in the events leading to the suicide of her ambassador in Cairo. None of these or similar isolated incidents endangers the alliance as a whole, but all of them probably contribute to reinforcing or weakening the reactions of particular countries to the great crises which are common to the whole alliance.

Of these great common crises there have so far been three; but perhaps "turning-point" is a better term than "crisis." The first was the outbreak of the Korean War in 1950. The second was the period known as the *détente* or the "thaw," which began with the death of Stalin in 1953 and reached its climax in the "summit" conference at Geneva in 1955. The third was the simultaneous explosion of Eastern Europe and the Middle East in 1956. The first of the three presented the least problems, for the reaction of the NATO countries was immediate and unanimous. All these countries, particularly those nearest the Iron Curtain, recognized that the war in Korea was something that might also happen to them, and they responded accordingly. American prestige as the leader of the free world's defense rose to its highest point after the first risk of failure was averted. The next two turning-points, however, produced much less unqualified reactions.

In 1953 a singular series of coincidences occurred: the death of Stalin and the beginning of a struggle for power in the Kremlin; the accession to office of President Eisenhower and the liquidation of the Korean War; and the rapid approach of both the U.S. and the USSR toward the completion of the hydrogen bomb. Without going into all the details of events between 1953 and 1955, it is possible to summarize briefly the effect of what came to be known as the policy of "coexistence," which was an unlucky one for the United States. Some of her allies, particularly France and Germany, feared that President Eisenhower had been taken in too easily by "coexistence," and they regarded the "summit" conference at Geneva as strong evidence of this. Others, particularly in the Scandinavian countries, thought that the U.S. should go further to meet the Soviet initiative, and talked as if the only part of the North Atlantic Treaty that really mattered any longer was Arti-

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cle II. In many other countries, too, people talked as if the real danger of war now came not from the USSR but from the U.S., especially during the Formosa crisis of 1955. The seriousness of this particular episode arose probably from the fact that Europeans failed to realize the extreme bitterness of feeling in the U.S. against Communist China. But there were some grounds for calling American policy genuinely two-faced at that time—the pacific face being that of Eisenhower and the aggressive face that of Dulles. Such a division of responsibilities between the President and his Secretary of State may have tactical advantages, but it has also the disadvantage that America's allies are themselves left in doubt about what U.S. policy really is.

The last of the three turning-points, which consisted of the concurrent crises of 1956, caused even more ambiguous reactions in American-European relations, and the final outcome still cannot be clearly defined. The emotions provoked by the events of Hungary and Egypt were too numerous and too complex, and are still too recent, for it to be possible to analyze them in detail; but certain things can already be said with some confidence. First, there was a virtually unanimous horror at finding the United States on the same side as the USSR against France and Great Britain in the Middle East, though the blame for that situation was variously apportioned. Secondly, there was the shock of realizing from actual experience that it is no longer possible, in any matter involving the risk of force, for any European power to pursue successfully an individual foreign policy in conflict with the U.S. Thirdly, there was the realization that it is impossible even for the U.S. to impose its will and the will of the free world on the USSR unless she is ready to risk a nuclear global war. Fourthly, there was the realization of the power exercised, even if it is only a *vis inertiae*, by the countries belonging to the groups known variously as the Afro-Asians, the neutralists, the uncommitted, or the underdeveloped; and of the extent to which the present structure of the United Nations obliges the U.S. to pay attention to them, even possibly at the expense of her European allies. Fifthly, there was an uneasy reflection that the crisis was made much worse by coming at the very moment of an American election, and many doubts were felt about the impact on the free world of its senior partner's electoral system, with its built-in tendency to paralyze effective decision for several months at a time every four years. And finally there was the terrible awakening to the fact that the danger of war with the Soviet Union, which NATO existed to confront, had by no means receded so far as people imagined a year earlier.

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All this has been very disconcerting and disillusioning to Europeans, though certainly more so to the bigger European countries than to the others, and more so to some classes and parties than to others. If there is such an animal as a representative European, what he might say today is that he has learned two things: that he is more dependent on the United States than he thought, and that the U.S. is less dependable than he thought. But this is not to say he would be right. Nor is it to say that the alliance is in any real danger from such sentiments. Considered as a peacetime military alliance, the vital element in NATO is not its spirit but its machinery. Temporary mutual disenchantment may deprive us of some of our *élan* and sense of purpose, but it will hardly lead us to dismantle the whole apparatus.

It is true that some defections from the alliance are not altogether inconceivable. One or more of the Scandinavian countries might withdraw for the sake of a closer, neutral union with Sweden and Finland. The German Federal Republic might withdraw for the sake of reunification. Either Greece or Turkey might withdraw if the other were to gain full and exclusive satisfaction over Cyprus. Algeria may eventually be lost. But these most likely represent the limits of possible erosion. None of them is very probable, none would destroy NATO, and none could arise solely from loss of confidence in the U.S. To destroy NATO completely would require a conjunction of circumstances similar to that which created it: a major, dramatic, deliberate initiative by the U.S. coupled with appropriate supporting conduct by the USSR. Such a conjunction does not seem likely in the foreseeable future.

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NATO AND EUROPEAN INTEGRATION*

By LINCOLN GORDON

I. Introduction

DESPITE the oft-quoted language of Article II of the North Atlantic Treaty, NATO was not designed as an institution for economic collaboration among its members. It has not in fact acted as such an institution. Every initiative toward investing it with direct economic functions has run into a blind alley.

It does not follow that NATO has been free from economic problems. Nor does this signify that there is no community of interests in the economic field, either among NATO member countries, or in the somewhat larger group of nations known as the Atlantic Community, or in the still larger groups known as "the West" or "the free world."

The major economic problems encountered by NATO derive from the common military effort. They have been discussed in some detail in my recent article on "Economic Aspects of Coalition Diplomacy."[1] Without going over the same ground here, it may be worth emphasizing that the issues described in that article—adequacy of effort, economy of effort, and equity of effort—are by no means of merely historical interest. They are reasserting themselves in challenging and difficult forms as NATO comes to grips with the twin problems of maintaining in the nuclear-missile era a fully effective deterrent against major aggression and simultaneously being prepared to meet lesser aggression with tolerable and therefore believable lesser deterrents.

Apart from the obvious joint interest in the economic foundations of collective military strength, the common economic interests of NATO members fall into four broad categories. Firstly, as allies, friends, trading partners, and common custodians of a deeply cherished set of values and attributes of civilization, they share a mutual interest in one another's, as well as their own, economic strength, growth, and cohesion. Secondly, as a group including most of the industrialized, high living-standard, and significant world-trading nations, they have a common interest in the further development and improvement of orderly world-wide arrangements for expanded international trade, finance, and investment. (This interest is obviously shared by the other nations in a like category, such as Switzerland, Austria, Sweden, Japan,

* In its original form, this article was delivered as an address to the Princeton University Conference on NATO on June 24, 1957.

[1] *International Organization*, x, No. 4 (November 1956), pp. 529-43.

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and the Southern British Dominions.) Thirdly, they have both an economic and a political interest in the orderly evolution, under free institutions, of the less advanced countries toward higher living standards and harmonious relations with the nations of the West. Finally, the NATO members have a common interest in preventing the expansion of Soviet influence by economic, just as by military or political, means.

In its deliberations in late 1956, the Ministerial Committee of Three on Nonmilitary Cooperation in NATO (with which I had the honor of serving as a consultant) had no difficulty in recognizing the existence and importance of this range of common interests in the economic field. They had equally no difficulty in concluding that for the most part these interests could not best be pursued through action in NATO itself. It is perhaps some tribute to the vitality of the Organization for European Economic Cooperation (OEEC), whose membership most closely parallels NATO if the associate status of Canada and the United States is taken into account, that in 1956 no member country was proposing its replacement by NATO, although there had been several proponents of this idea some years earlier.

The affirmative element in the Committee of Three's recommendations on economic cooperation was really a direct counterpart of, and virtually a part of, the recommendations on broader, deeper, and more effective political consultation. Particularly in relation to Soviet economic activities, it was urged that NATO become a forum for the systematic exchange of information and for the development of a common strategy, not merely to respond to Soviet initiatives but also to foster Western initiatives.

The principal question to be discussed here, however, does not have to do with NATO action in the economic field or even the use of NATO in developing common economic policies. It deals rather with the relation of further economic integration among groups of NATO members to NATO's political and military problems.

II. The Common Market and European Free Trade Area

A. ADVANTAGES FOR NATO

The measures of further economic integration to be considered are the two treaties of Rome now in process of implementation, which will create the European Economic Community, or "Common Market," and the European Atomic Energy Community, or "EURATOM," together with the Free Trade Area being considered in connection with

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the Common Market, and perhaps also the OEEC plans for atomic energy cooperation.

Ratification of the Rome treaties is now accomplished. For the purposes of this discussion, it will also be assumed that there will be successfully negotiated a Free Trade Area, comprising at least the United Kingdom, the Scandinavian countries, Austria, and Switzerland, in addition to the six members of the Common Market, and covering at least the whole range of industrial goods.

In some respects, the lines taken by the negotiations thus far, and the degree of progress already made, are paradoxical. Under modern conditions, it is hard to envisage the abolition of tariffs among a group of countries without a considerable merger of national sovereignties through the creation of a common currency and a pooling of control over major internal economic and financial policies. Yet the binding parts of the Common Market treaty are concerned almost wholly with eliminating restrictions on trade, together with some cooperative financing of adjustments in Europe and development in related parts of Africa. The wide area of complementary financial and economic problems is discussed only in general language promising some form of policy "harmonization."

Undoubtedly many of the treaty sponsors do in fact look forward to full economic and perhaps even political union. They also recognize that outright political federation is not now politically practicable and that even to propose a common currency would under present conditions not pass political muster. Since trade and finance are simply opposite sides of a single coin, there is some inherent illogic in the coupling of elaborate and definitive trade rules with extremely vague treaty conditions on financial relations. Nevertheless, a realistic view of European politics suggests that this paradox may be the very feature of the treaties which has made their ratification possible.

Even in the first phase, there is a formidable problem of adjustment in French foreign economic policies which will be an essential prerequisite to the actual creation of the Common Market or the Free Trade Area. For years France has been the outstanding laggard in the trade liberalization program of the OEEC. For several years France's European partners have tolerated with considerable patience, albeit somewhat grudgingly, a system of special import taxes and export subsidies which is very hard to reconcile with the various obligations involved in the International Monetary Fund, the GATT, and the OEEC itself. Lately this device to support an obviously overvalued currency has been compounded by a partial devaluation and a dual

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exchange rate. Within the last few months there has been a massive reimposition of import quotas in an endeavor to plug the critical drain of foreign-exchange reserves. Unless the French economic house is in better order by the beginning of 1959, the whole enterprise may prove abortive.

Negotiation of the Free Trade Area still faces many hazards also. Its terms have yet to be drafted; the scope of its membership is uncertain; and the critical difference between Britain's desire to exclude agricultural products entirely and Denmark's and the Netherlands' natural desire to include them must somehow be resolved. There is also a major difference of approach on common institutions, the "outer ring" of Britain and its partners being disinclined to accept the type of "supranational" arrangements favored by the Six.

Assuming, however, that both a Common Market and a Free Trade Area come into being in the near future, they clearly involve a most important change in the arrangements governing the structure of the European economy. Would such a change be helpful in solving NATO's political and military problems? One would suppose that, if the effects are to add to the economic strength of the members of these new arrangements, and to do so not at the expense of other members of NATO, the change would be helpful to NATO as a whole. Except for some possible political implications discussed later, by and large the direct effects on NATO are likely to be good as far as they go, but comparatively small.

The results of the Common Market and Free Trade Area will be realized rather slowly, and they will be coming on top of a base position in the European economy which is by no means unhealthy. No doubt many Americans and perhaps some Europeans will be gravely disappointed by the smallness and slowness of the results. Few subjects are surrounded with more illusions than the question of European economic integration. There is, for example, the illusion that the European economy is stagnating by comparison with the American; in fact, European rates of growth over the past decade or half-decade in most countries substantially exceed those of the United States and Canada. There is the illusion that Europe is divided into watertight national economic compartments; in fact, the European economy is already substantially integrated, as the vast volume of intra-European trade makes evident. Then there is the illusion that economies of scale are the full explanation of differences between European and American productivity levels, and that a European market of 160 million or 240 million people will automatically usher in a living standard equal to

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that of the United States. In fact, economies of scale are only one among many elements in the exceedingly complex realm of productivity differentials, taking their place alongside access to low-cost fuel, raw materials, and transport; intensity of investment; attitudes of both management and labor toward innovation; consumption habits; the organization of industry and of industrial research; and many other factors.

Nonetheless, the long-run effects should be substantial and even the short-run effects significant and beneficial. Some greater degree of intra-European competition can be expected even in the first few years, and new patterns of investment should be set in motion almost as soon as the treaty has become an assured basis for business decisions. Moreover, a fifteen-year period passes quite rapidly.

Perhaps more important than the direct economic effects are the indirect psychological effects of the altered framework within which European business will operate. Countless productivity teams, and other evidence as well, have shown that the more progressive European enterprises are not far below their American counterparts in efficiency or productivity, but the averages are brought down by a large number of concerns clinging to outworn methods of production and management. The plans for closer integration, even though they are to be implemented gradually, must necessarily require an intensive re-examination of accepted traditions and attitudes, a spur to search out means of reducing costs and improving efficiency, many of which do not require large investments. The challenge of new opportunities and new pressures alike, shaking industrialists and labor unions out of psychological ruts, could be an important force for rapid and healthy economic growth.

B. DANGERS AND RISKS

While on balance, therefore, the plans promise added strength for their members and therefore added strength for a major segment of the Atlantic Community, they are not without dangers and risks. One possible danger is that the plans may stop part way, falling short of realizing their potential benefits and introducing into world economic relations simply one additional and rather complex preferential area. Against this risk the treaty provisions appear to guard quite effectively, both in their limitations on delay and in their circumscribing of the escape clauses. Once ratified, it would apparently take either a flagrant evasion of the provisions or an outright unilateral abrogation to turn the clock back. Neither of these actions seems likely except in much

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more critical conditions than any member country has faced since the war.

There are of course certain transitional difficulties, both for members and for outsiders, but the benefits could hardly be realized without such difficulties. There is also the danger, suggested in the recent ECE annual survey,[2] that integration may create an even higher concentration of investment in the most developed portions of the area, with an increased gap between these and the less developed regions. Since free migration is required under the treaty only by the end of the transitional period, i.e., twelve to fifteen years after ratification, and since in any case international labor mobility is likely to be small, a deliberate effort will be required to avoid a repetition of the unhappy history of the Italian South after the Union of Italy or the American South after the Civil War. Apparently some such effort is contemplated.

So far as NATO is concerned, the external relations of the Common Market and Free Trade Area present possible dangers of a more serious kind. At present, the European members of NATO enjoy substantial mutual convertibility of their currencies by virtue of the European Payments Union; their reciprocal trade has been largely freed from import quotas (excepting certain agricultural products and the recent major reversal of French trade liberalization already mentioned). At the same time, no European NATO member's currency is fully convertible with the dollar, and import licenses are required for a much wider range of dollar goods than for European goods. Nevertheless, the combined impact of exchange controls and import restrictions on Europe's dollar trade has been greatly reduced during the past six years. It is my own belief (from which there are very many dissenters) that with only slightly more effort this healthy movement could have been carried to the point of formal currency convertibility, at least for the major European currencies. The interests of the nations on both sides of the Atlantic would have been well served thereby. Be that as it may, the Common Market and Free Trade Area plans clearly involve some drawing-away from the trend toward increased transatlantic liberalization and lessened discrimination against the dollar countries.

A new form of tariff discrimination is of course inherent in the proposed removal of intra-European tariffs concurrently with the maintenance of a common external tariff for the Six and individual external tariffs for the other members of the Free Trade Area. For those Ameri-

[2] United Nations Economic Commission for Europe, *Economic Survey of Europe in 1956*, Geneva, 1957, Chapter IV.

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can and Canadian export industries now competing in European markets on fairly close terms with other European suppliers, the change portends obvious trouble. Machine tools, electrical and industrial equipment, tractors, some chemicals and pharmaceuticals, and perhaps certain consumer durable goods are among the industries most likely to be adversely affected. For agricultural products the position is more obscure, since the Common Market does not contemplate a genuine free-trade regime but rather some form of internationally administered markets whose substance and effect cannot be judged from the text of the treaty itself.

At the same time, it is probably true that the limiting factor on dollar exports today remains the general availability of dollars to Europe rather than the consumer's choice of sources of supply under open competition. If this is so, and if the Common Market and Free Trade Area powers are so disposed, their dollar savings in industries of the type already mentioned should be matched by increased liberalization on other items where North American supplies are clearly competitive. So far as North America is concerned, the effects are therefore at least tolerable and probably beneficial in the long run. Whether the same is true for Japan is a much more uncertain question. It would clearly be to the interest of the free world as a whole for the makers of the common external tariffs to give special consideration to Japan's problems.

The critical issue will be the attitude of the new groupings toward outside trade, revealed in part by the levels of the external tariffs. If the new economic communities choose the course of common high protection and European autarky, the end result would be clearly bad for other industrialized countries and probably bad for the member nations themselves. If, on the other hand, the initial common external tariffs are kept moderate and the will is maintained for further reduction through multilateral negotiation, the end result should be generally beneficial. There would no doubt be some relative improvement in Europe's terms of trade, which means a deterioration for non-Europeans, but this should not be serious.

The discussion of benefits and dangers thus far has been entirely in terms of the proposed economic integration of the metropolitan European countries themselves. There are also, however, certain problems implicit in the proposed arrangements for relating the European Common Market with the French and Belgian overseas territories. There is much obscurity in the somewhat grandiose term "Eurafrica" which has been heard with increasing frequency in recent months from statesmen in France. A captious critic might wonder whether this high-

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sounding word means really nothing more than a desperate rear-guard action to conserve the substance of the French empire by converting it into a continental European economic empire. A more constructive idea may well be in the background, but its content is not self-evident.

In immediate and practical terms, the proposal is to give the overseas territories associated with France and Belgium free access to the European Common Market, while permitting them to retain nondiscriminatory tariffs to protect their own industrialization. This means that the preference now existing in French markets for overseas France and in Belgian markets for the Belgian Congo will become a preference extended to the six European continental nations. Such a proposal is necessarily worrisome to suppliers of tropical and semitropical products in actual or potential competition with Africa, such as Latin America and Southeast Asia. The Economic Commission for Latin America has already sounded the alarm, and more of this will no doubt be heard at GATT meetings and elsewhere.

If the intention is to create a highly restricted European-African trade and investment nexus, it is surely to be viewed with some concern. Conceivably, the main effect in Latin America, outside of some loss as a result of changes in the terms of trade, might be an even greater economic dependence on the United States—a dependence which many Latin Americans feel is already excessive. But what does this sort of intensification of North-South economic ties, both in the Western Hemisphere and the Western part of the Eastern Hemisphere, portend for the countries of free Asia? Would they be left stranded, or perhaps with only their own northern neighbors, the Soviet Union and Communist China, to turn to?

Here again, then, the question is whether the new communities in their overseas as well as their metropolitan aspects are to be outward-looking and full-fledged members of a progressively improved world-wide economic order, or whether they are to turn inward. The latter could be a misfortune for the Atlantic Community and for the free world as a whole. On this point, one is not reassured by the remark attributed to one French statesman that "Africa must choose among the American bloc, the Soviet bloc, the Bandoeng bloc, and free Europe." The very notion of an "American bloc" contrasted with "free Europe" would seem to violate the essential basis of the Atlantic Community.

For these reasons, it should be hoped that ratification of the Common Market treaty will in fact be paralleled by the creation of the Free Trade Area, since the larger grouping is much less likely than the smaller to choose the inward-looking path. Britain's position as the second great-

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est world-trading nation, with its ties to the Commonwealth and the Sterling Area, is one source of reassurance on this point; the relatively large interest of other potential Free Trade Area members in extra-European trade is another. In all this, there is some analogy with the OEEC's trade-liberalization and payments arrangements since 1950. At their inception, there was much fear, especially in North America, that they might be inward-looking and perpetuate intensified discrimination against the dollar world. In fact they have not worked out that way. The OEEC has maintained a strong Atlantic orientation. A similar attitude seems essential to the beneficial development of the new European economic movements.

III. Euratom and Nato

Let us then turn to cooperation in the development of atomic energy. In addition to early implementation of the EURATOM treaty, it will be assumed that the member countries adopt a program to meet the kind of targets suggested in May 1957, by MM. Armand, Etzel, and Giordiani, i.e., 15 million kilowatts of installed atomic-fueled electric-power capacity by 1967. The benefits of such a program to the members of the group are quite clear. It would reduce the tendency toward ever-increasing dependence on Middle Eastern oil supplies; it would ultimately save considerable amounts of foreign exchange; and it would provide a reliable technological base for further expansion in energy supplies at whatever level might be required for general industrial and economic growth. It is probably not fruitful to discuss whether these same benefits could be achieved on an individual national basis or under the looser type of cooperation suggested by the OEEC. My own belief is that in large measure, if not completely, they could be so achieved, but this does not seem to be the likely course of development.

Benefits of this type would clearly be helpful to the member countries and therefore good for NATO as a whole. In particular, the lesser dependence on the Middle East would reduce NATO's political problems over the long run. It should be stressed, however, that even these very ambitious plans in no sense imply independence of Middle Eastern oil supplies in any visible future. The continued assurance of such supplies will remain of vital interest for Europe and for the Atlantic Community as a whole—one of the major non-European common political interests of the Atlantic Community for the indefinite future.

The more direct relationship between this type of atomic development and NATO arises not from the peaceful uses but rather from the military implications of the spread of nuclear technology, whether

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through EURATOM or on any other basis. The development of atomic power carries with it the potential development of atomic weapons. The EURATOM treaty is focused exclusively on peaceful uses, but does not prevent its members from producing atomic weapons on a national basis. At the moment, only Germany is debarred from such development through its commitments in the Paris agreements of 1955.

Some observers have wondered whether, assuming no real progress toward general atomic disarmament, European cooperation in developing atomic power should not logically be followed by cooperation in producing weapons and possibly even in building a collective nuclear retaliatory force. Such a force would presumably not be under NATO command, but would be related to NATO in the same manner as the United States Strategic Air Command and the Royal Air Force Bomber Command.

To explore this line of speculation thoroughly would require a discussion of NATO strategy and politics well outside the range of this article. In the judgment of this writer, however, it is inevitable that in the absence of general atomic disarmament European forces must become equipped with atomic weapons in the quite near future, either through a relaxation of the United States Atomic Energy Law or through the efforts of the countries concerned, individually or collectively. Certainly the rapid development of atomic power and industrial nuclear technology under the stimulus of EURATOM would speed that day.

Would such a development ease NATO's military problems? Surely, if the new NATO strategy requires the development of atomic weapons in various forms and various locations in Europe, short of the long-range strategic thermonuclear force, the answer is affirmative. The question at once arises, however, whether these weapons requirements could not be supplied more efficiently and economically by the countries already engaged in producing such weapons.

It is sometimes supposed that political respectability in each part of NATO requires the ability to produce all major weapons independently, so that if the nations of continental Europe cannot do so individually they must do so collectively. This is of course the diametrical opposite of the supposedly accepted NATO doctrine of balanced collective forces. For years NATO has been struggling to bring about some economy in arms burdens through standardization and at least a modicum of international specialization. Most of these efforts have encountered insuperable obstacles in the existing inventories of unstandardized items and the vested interests in national manufacture.

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Are we then going to reproduce this burdensome and uneconomic vice with each new family of weapons as it develops? If so, if this really is the ultimate line of development of EURATOM, it would be most unfortunate for the future of NATO and of the Atlantic Community. How can one seriously contemplate the problem of maintaining a fully effective deterrent against limited attacks launched under the shelter of a supposed nuclear stalemate, without concluding that it will take all of our combined ingenuity and the most efficient use of all the resources our democratic electorates are willing to make available?

The underlying rationale of the opposing line of thought is at its core one form of the endemic European isolationism vis-à-vis North America, and American isolationism vis-à-vis Europe, which NATO has suppressed but not cured. It crops up in new and bizarre forms, like the tsetse flies which develop an immunity to the newer drugs and poisons. A form of this disease which seems to be particularly infectious is the notion that if Europe could only develop its own nuclear capability it could defend itself, while with intercontinental bombers or missiles the United States and Canada could take care of their defense needs. In the absence of effective disarmament or a genuine European security settlement, this is a dangerous illusion: it disregards the necessity for limited deterrents to limited aggression as well as general deterrents to general aggression.

IV. Integrated Europe and the Atlantic Community

This point merges into the broader topic of the political relationship between a more closely integrated Europe and the Atlantic Community. Many observers believe that the present partnership is basically defective because of the inequality of the members. In economic terms, for example, American output is eight to nine times that of the second member, the United Kingdom. With greater equality, it is said, North America and Europe could form a more genuine partnership of full mutual respect and full responsiveness to one another's particular interests as well as to the clear-cut common interests.

On the political and economic sides there is much to be said for this view. The existing inequalities are not conducive to easy working relationships. Improved bargaining power for Europe in tariff and other international economic negotiations would not be unhealthy.

Where the argument breaks down, however, is in its extension to the military field and to the broader aspects of foreign policy. As an example, it will be recalled that the Free Trade Area plan was initiated

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in July 1956, before the nationalization of the Suez Canal. This in turn gave new vigor to the Common Market proposals. At the same time, it is widely believed that the difficulties with Egypt gave much impetus to popular acceptance of these proposals, both in Britain and in France, on the ground that they might promise greater independence from the United States in foreign policy and perhaps in military action outside Europe. Surely this is a cheap and woolly emotional illusion. It disregards the fact that most of Europe was as opposed to the Suez adventure as was the United States. It corresponds to the equally emotional reaction of some Americans during the Korean War and the Geneva negotiations on Indo-China, to the effect that the European alliances were depriving the United States of a cherished freedom of action.

The crucial fallacy in this type of reasoning, on either side of the Atlantic, is the failure to bear in mind that we face together a potential enemy with global interests opposed to ours, operating on a global scale, and that it takes our combined resources to protect and advance our common interests. So long as this is true, the direction of military effort and of political consultation must be turned toward closer transatlantic cohesion and not toward greater freedom of action for either side of the Atlantic.

V. Conclusion

My conclusion, then, is that closer economic integration in Europe can ease NATO's political and military problems by strengthening one major segment of the alliance, provided that it does not do so at the expense of other members or of nonmember free countries. This proviso can be respected, but will not automatically be so. The task is to give real substance to the platitude of encouraging "European unity within the framework of the Atlantic Community."

That substance must be compounded of the three standard elements: economic, military, and political. On the economic side, it requires dedication of any new European economic organizations, and renewed vigor on the part of other nations, in promoting the continued liberalization of trade, finance, and investment on a global scale and in taking more effective action to accelerate the progress of underdeveloped areas.

On the military side, it means renewed efforts to see our common defensive problems clearly, not once-for-all but continuously as weapons and politics alter their forms; to apply our resources jointly in coming to grips with these problems; and to be constantly on guard against the effort to recreate purely national military policies when history and science have conspired to make independent national military action obsolete.

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On the political side, it means welcoming the increased self-confidence and faith in the future which new economic prospects may open up in Western Europe, but using that added strength affirmatively for the common purposes of the alliance rather than divisively to promote merely parochial interests.

All this assumes that we do in fact share a community of interest in the furtherance of free institutions which outweighs any national differences among us, either within or outside Europe. In my view, this assumption is sound. It is for this reason that NATO was conceived as more than an ordinary defensive alliance to meet the passing needs of a particular constellation of geographic and military forces. It is for this reason that NATO should be an organization for harmonizing the foreign policies of all its members on the issues that are truly fundamental, whatever and wherever their origin.

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INTELLECTUALS, PUBLIC OPINION, AND ECONOMIC DEVELOPMENT*

By EDWARD SHILS

I

ECONOMIC development in the West proceeded, until the latter part of the nineteenth century, without the aid of the intellectuals. Neither the innovators in technology nor the enterprisers and managers of industrial firms were highly educated, nor did they interest themselves in intellectual matters. The world of finance contained a few exceptions to this proposition, such as David Ricardo, Samuel Rogers, and George Grote, but it, too, moved without the aid of economists or other professional or avocational intellectuals. The graduates of universities stood aloof from the practical work of commerce and industry in their countries; they went into scholarship, into theology and the church, into administration (first in Germany and then gradually in the rest of the countries of Europe), into medicine and the law, but they did not enter into the central stream of the economic life of their countries. Even in Great Britain, where the intellectuals' interest in economic life was greatest, their participation in the conduct of economic affairs was minimal. In France, a little was owed to a handful of important businessmen with St. Simonian sympathies, but that was about all. In Germany, a higher education and intellectual interests were practically guarantees against sympathetic participation in creative economic activity; and in the United States, the great enterprisers were neither educated nor intellectual.

Fortunately, at the time there was no need for intellectuals in economic life. A tradition of inventive and artful craftsmanship, especially in the engineering trades and those closely related to it, and indomitable ambition and resourcefulness among businessmen provided the motors for the enormous economic progress of Europe from the sixteenth to the end of the nineteenth century. Here and there a great physicist or mathematician invented a machine which found application in industry, but for the most part their mechanical inventions were toys; by far the great majority of practical technological innovations was produced by men who worked within the traditions of a trade, as entrepreneurs or employees. The nurture of technological development

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through the deliberate cultivation and application of science came only at the end of this period. It was only in the present century, above all in the chemical field, that the graduates of institutions of higher learning began to play a significant part in industry, by virtue of the specific knowledge and the scientific outlook which were absorbed by them in courses of technological and scientific study. Only in the twentieth century have great laboratories of scientific research, pure as well as applied, been established by large corporate enterprises and trade associations. Plastics, synthetic fibers, light metals, jet propulsion—these and many other advances characteristic of modern industrial technique have been made through research conducted by graduates of departments of physics, mathematics, chemistry, metallurgy, aeronautics, etc., of the great universities and technical colleges. Important innovations in industrial and commercial organization have been promoted by engineers and mathematicians trained in the law schools of the great universities. Even so, a large part of the driving force of contemporary industrial development in the countries which are improving their efficiency and are substantially raising the standards of living of their people—for example, Canada, the United States, Belgium, Italy, and Western Germany—still comes from outside the educated classes. Enterprise still draws its ethos from traditions which are not widely shared by the intellectuals.

The situation of the newly emerged countries, such as India, Indonesia, Burma, Malaya, Ghana, and Ceylon, is rather different. These countries are without innovating craftsmen in industry or innovating, risk-taking, industrial entrepreneurs. Their craftsmen, however skillful, work within definite and restrictive traditions, and require close supervision when confronted by new problems; their industrial entrepreneurs on a larger scale have been chiefly foreigners, while their own big businessmen find their talents drawn to commerce and finance. The dramatic initiative for industrial development in these countries draws little sustenance from the strata which in Europe and America created an industrial ascendancy. The most enthusiastic support for industrialization and modernization comes from those who have been in contact with the West, either in Europe or America or through its intrusions and representatives in their own countries. The accepted contact with the West has been predominantly through Western educational institutions and Western-founded or Western-inspired colleges and universities at home. The type and scale of industry which the educated seek are those now existing in the West (including the Soviet Union). The undramatic germination of small-scale industrial enter-

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prises from the efforts of ambitious independent craftsmen arouses neither their attention nor their admiration. The proponents of industrialization and modernization—although not necessarily the sole or even most effective agents—are largely intellectuals, and their conception of industrialization is largely that of intellectuals without technological education or experience of economic responsibility. In most of the new countries, prevailing opinion does not believe that industrial development will come about through the processes that produced it in the West. Planning, governmental initiative and even management, the deliberate application of scientific outlook and procedure to industrial problems—these are the means which are expected to raise the level of industrial output and efficiency. This view rests in some measure on a derogatory conception of businessmen as either exploitative foreigners or money-grubbing, short-sighted, native manipulators of financial combinations. There is no confidence in their constructive powers, and in their willingness to take risks, or even in their readiness to add to their wealth through industry. In fact, of course, this disesteem for business enterprises derives from a deeper disesteem for their function and activity as such. The intellectuals' traditional distrust of the man of business is in part a religious matter, in part a product of the scope and strength of the kinship system. Whatever the source, it seems clear that the ruling groups in new countries are not inclined to entrust much of the responsibility for their industrial advance to private businessmen.

The alternative source of personnel for industrial progress therefore must necessarily be the intellectuals—the university-trained government official, the scientist, the economist, the engineer with a systematic training at a technological college rather than an empirical training at the workbench.

Economists well trained in both theoretical and applied economics are even more integral to the promulgation and execution of schemes for economic development in the newer countries than they are in long-established countries with a large stratum of experienced and forceful businessmen. A country like the United Kingdom, which decided to launch itself into governmentally planned economic life after the Second World War, could supplement an able civil service with a substantial body of experienced businessmen, and it could draw into government service a group of university-trained economists who had hitherto been engaged in teaching, research, and writing in universities and independent research institutes, and for economic periodicals. The poorer countries have no such resources. The more fortunate among

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them have a small number of high-grade economists taken from the universities and the civil service. They have very few businessmen to enlist into their service (and even if they had them they would be reluctant to use them). The less fortunate lack nearly all these resources. Their most vigorous personalities have chosen politics as a career. Their most acute minds are already in administration. They have very few industrialists conducting large-scale operations.

These new countries could all use more highly qualified economists, economist-administrators, and statisticians than are available at present. Their vast schemes of construction—hydroelectric installations, factories, railways, etc.—all require engineers trained in higher technological institutions. The improvement of their agriculture requires research and extension work which will demand men with appropriate university training. Moreover, the aspiration in almost all the new countries for a "welfare state" can be met only if there are far larger numbers of well-trained teachers at every level from primary to university, whose activities will range from rarefied intellectual analysis to extra-mural work in villages in the hinterland; of physicians and social workers; and, as literacy spreads, of journalists, scenario writers, authors, and critics. Programs of economic and social progress will thus depend for their fulfillment on the executive action of large numbers of intellectuals.

Perhaps never before in world history have intellectuals had such responsibilities and opportunities for the exercise of authority and creativity within the central institutions of their own societies. The need is for men of practical judgment and factual curiosity, with a capacity to appreciate small increments of growth and to understand the complexities and intractabilities which creative economic activity confronts. Yet the qualifications of the intellectuals for these grandiose tasks and possibilities are problematic. There are ample lawyers, bachelors of arts with moderate literary interests, and a fair number of polemical and hortatory publicists. Among the numerous intellectuals, there are scattered a small number of men who are first class by the highest standards. They work against great disadvantages.

II

The newly emergent countries in Asia are the heirs of a powerful intellectual tradition, predominantly religious. The religious sage has thus enjoyed the highest esteem, and the religious conquest of the self, or individuality, has been one of the highest goods, if not the highest.

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Nonattachment to the objects of this world and purification of the spirit by avoidance of the gratifications offered by contact with living and nonliving material objects have been central features of the tradition of intellectual activity in these countries. Moreover, because the religious component has been so preponderant in the cultural tradition, much of the most refined intelligence has been devoted to the interpretation of texts. The traditional institutions of learning have concentrated on the exegesis of sacred texts. The experience of everyday social intercourse, the experience of the craftsman and reflection thereon, and curiosity about the world of natural phenomena, physical and biological, have been absent from the range of activities of the traditional intelligentsia in these countries.

At present the traditional intellectuals, such as the *pandits* in India, are looked upon with condescending pity or outright contempt by the modern intelligentsia in these countries. What the traditional intelligentsia regards as sacred, its modern counterpart regards as superstition or triviality. There is little contact between these two sections of the intellectual classes. Their modes of life, their intellectual satisfactions and curiosities seem to be poles apart. Nonetheless a deeper affinity exists between them, with important implications for economic development.

The affinity is evident in the theoretical and literary tendencies of the modern intelligentsia in the underdeveloped countries. There are many reasons why the novel has not flourished in non-Western countries other than Japan, but one reason is a deficiency in the sense of concrete everyday reality. Naturalistic description of ordinary situations and concreteness of recall are both scantily developed in novels and biographies in the economically underdeveloped countries. This is one expression of a state of mind that reaches far beyond the literary world. How few study engineering or natural sciences, especially the experimental biological and physical sciences, in relation to those studying humanistic subjects! The readiness to immerse oneself in empirical enquiry—which has enough of its own dangers, as we see in America—and especially in the disciplines that require field work, is strikingly scant among the best minds in the educated classes in most underdeveloped countries. How vast is the disproportion between those who have taken degrees in the arts, in law, and in commerce, and those studying science and engineering! Wherever in the economically underdeveloped parts of the world there is an established university system, it is flooded with candidates for arts degrees for whom there will be very few opportunities for employment, and who would have little

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to contribute to economic development even if there were such opportunities.

This situation is in part attributable to the impact of the West. The Western rulers created secondary schools, universities, and colleges in countries like India, Burma, and Indonesia, to supply the needed middle- and lower-level civil servants, the highest positions being reserved for their own nationals or for the persons of local origin who had met the highest intellectual requirements of the metropolitan university system. Subsequently, when colleges were founded by local initiative, before and after independence, they were of the same sort. These colleges were not intended to make men into scientists and engineers. This was so in part because in the nineteenth century the chief colonial power, the United Kingdom, did not produce scientists and engineers in its own universities and did not think that it was the task of universities to do so. It was also a result of the absence of employment opportunities for native engineers and scientists. To the extent that the then dependent countries were industrialized, their higher technical personnel were imported from the metropolis. There was no incentive or stimulant to the growth of a technological sensitivity in the educated classes, and so no scientific or engineering tradition could find its nutriment.

The origins of the relative indifference toward the intellectual and practical mastery of nature and of the relatively weak feeling for concrete reality can thus be seen to be rooted both in the older traditions of each country and in the recent traditions established by the method of domination employed by the foreign ruler. Because of these traditions, the educated classes of the underdeveloped countries, however much they believe in the saving graces of science and technology, have a largely literary or ideological relationship to them. In practice, being an engineer or an applied scientist—to say nothing of an effective businessman—counts for less in the eyes of the educated than a good humanistic education.

Moreover, although there has been a revival of appreciation for the inherent qualities of traditional art, music, sculpture, and religious philosophy, there is still more prestige attributed to a thorough familiarity with the culture of the West, even in India and other Asian countries possessing traditional cultures of universal value. It is not only the man who has studied at Oxford, Cambridge, Heidelberg, or Paris —or even Cambridge, Massachusetts—who is deferred to but the person who, whether he has studied abroad or not, is intimate with the contents of *The New Statesman* and *The Economist*, who knows about

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Bertrand Russell, T. S. Eliot, Hemingway, Sartre, Graham Greene, Camus, Auden, and Faulkner, who is at home in the conflicts within the British Labour Party and in the plays of Christopher Fry. Even among scientists in these countries, work seems to be done for an invisible jury of scientists in England, the United States, and Germany, while other scientists working in the same fields at home are less frequently thought of or referred to. This location of the intellectual center of gravity in foreign, indeed Western, countries, might—and to some extent should—be attributed to a more realistic or more refined appreciation of the superior quality of scientific, literary, and philosophical work in the West. This is, however, by no means the only reason for the displacement of the intellectual center of gravity; if it were, it would not injure the cause of national improvement and economic development. It is because this displacement fundamentally arises from xenophilia that it harms the culture, science, and economy of the underdeveloped countries.

The coexistence of xenophilia with fervent nationalism does not diminish its pernicious consequences. Indeed, extremist nationalism is often an unconscious expiation for guilt-generating but status-enhancing xenophilia. The harmfulness of xenophilia does not lie in its alleged "separation of the intellectuals from the people," for which the intellectuals in backward countries are often criticized by intellectuals themselves, by political leaders who are antagonistic to them, and by foreign observers.

Intellectuals in all countries are "separated from the people," and so they should be. No society can have its indispensable division of labor if the different skills which it requires are not also associated with differentiated tastes and outlooks. No society would be worthy of even the slightest respect if it did not allow people to be somewhat separate from each other; even totalitarian regimes, which demand homogeneity of taste and outlook, must permit some of these differences, this separateness, however unwillingly. Xenophilia is injurious because it manifests and fosters a severely deficient empathy for the states of mind of one's fellow-countrymen, a lack of intimacy with the social and material environment, and thus, at bottom, a form of blindness to the capacities and incapacities of one's fellow-countrymen, to their problems, and to their disposition to rouse themselves to do something about them. It expresses and reproduces the feebleness of the sense of affinity that unites a population into a modern nation. This "social scotoma" is not in the first instance a product of Westernization; it is a product of a hierarchical society in which the higher castes and classes have little

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feeling for those beneath them; it is furthered by the still undissolved cleavages which are generated by an overwhelmingly strong system of extended kinship. It is also a product of the religious tradition of nonattachment, which the more advanced religions of Hinduism, Buddhism, and Islam praise as the highest good, and which their vital existence in still very tangibly religious cultures renders into a frequently encountered reality. Whatever its causes, its result is the existence of educated classes with little understanding of the real problems of their native lands and the real states of mind of their countrymen.

A common reaction against xenophilia has been populistic nationalism. The aspiration for national independence was impelled by populistic nationalism, which persists and is renewed in independence. The intellectual vices of oppositional politics which were inevitable under the conditions of colonial politics, revolutionary or reformist, are sustained partly by their own tradition and partly by the mutual distrust of populistic, nativistic politicians and intellectuals with a Westernized education, outlook, and style of life. Both sides invoke "the people" to do down their antagonists. This beslavering of the uneducated, this praise of the "wisdom of the humble" and of the sagacity of the ancestors are often hypocritical, but at least as often they are sincere. Either way, however, they bring no improvement in the situation. They simply prolong the predominance of generalities and nebulous standards and ideals which, though they may be ineradicable from the political platform, contribute little to the hard work of making economic institutions function effectively. Where realism of perception and judgment is required, the creation of passionately espoused illusions is no better than indifference and disregard. Populism and traditionalism—which often buttress each other—both inhibit the self-confidence of those with modern education, and enfeeble the development and application of the knowledge and outlook necessary for modernizing society.

From the point of view of the needs of a new society which would combine economic progress with democracy and individual liberty, the xenophilia and nationalism of the intellectuals are equal hindrances. Both are unrealistic and both apply vague clichés, which were appropriate enough for an opposition with no prospect of constitutional access to power, to situations in which differentiated and specific judgment and a "feeling for the concrete situation" are called for. Neither is capable of that patient, detached scrutiny of situations in a mood free from the preconceptions and preoccupations connected with rigid and remote principles. Without that kind of scrutiny, the constructive, matter-of-fact assessment of achievements and shortcomings, which is in-

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dispensable to the realistic formulation of policy and its sound administration, is not very likely to develop.

III

Fruitful economic development, which will not only result in increasing the absolute numbers of metal lathes or planing machines or shipping tonnage, but which will contribute, through a self-generating, autonomous process, to raising the productivity and standard of living of the nation, requires, in addition to capital and skilled manpower and natural resources, adaptable and realistic judgment in economic enterprise and in the criticism of economic policy and practice. Ordinarily in the discussion of economic development through planning, stress is laid upon the adequacy of quality and quantity of planning and administrative personnel. This is a just emphasis and the first part of this article has been directed to an examination of certain inherited obstacles to such adequacy. But sufficient attention has not been paid to the machinery and personnel for critical evaluation of what the planners and administrators have done. Insofar as this problem is treated at all, it seems to be taken for granted that the government will do its own evaluation, or that foreign experts will be called in by the government to assess the effectiveness or the balance of various development projects, or even the scheme of development as a whole.

This does not seem to be sufficient. The government, especially where it claims to be democratic and seeks to foster democratic institutions as well as economic progress, should not be its own sole judge. Such it will be, however, if it monopolizes the machinery, personnel, and opportunity for factual evaluation of past activities and prospective plans. Nor can foreign experts be relied upon for such assessments. They will usually lack the concrete sense of the situation without which there can be no realism and, furthermore, they will too often flatter the government in that disingenuously condescending way which Western experts have of patting the heads of their colleagues in the economically underdeveloped countries. A country which aspires to practice democracy must actually practice it. This means that evaluation and criticism must be carried on by independent organs within the country, staffed by independent personalities of the same culture as those they criticize.

It is not sufficient that the planners and the executors of the plans should be well-educated and hard-headed, well-schooled in economic theory and experienced in economic administration. With all these qualities and with good will, too, those who make plans and try to

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carry them out acquire a vested emotional interest in what they are doing. They tend to gloss over their failures, to overlook obstacles and in general to avoid the self-criticism necessary for better action in the future. There are extenuating reasons for this: the senior officials with the experience and the vantage point which would enable them to formulate a coherent and realistic view are ordinarily so very heavily burdened that they have neither the time nor energy to muster unaided the detached and comprehensive outlook required. (There are not enough highly qualified men to go around, and the vast overstaffing at the lower levels of the government service does nothing to mitigate this.)

Furthermore, practically all of the higher civil servants and economic advisors are intellectuals by training and disposition. They are modern in their outlook and Western in their cultural orientation (if not necessarily in their politics). As such, they tend to be distrusted by the politicians, who though often intellectuals themselves are more populistic and even demagogic, and therefore critical of those who have studied abroad, who live in a more or less Western style at home, and whose university and intellectual attainments are often higher than their own. In addition, the administrators are often at a psychological disadvantage vis-à-vis the politicians, because while the politicians were fighting for national independence, many of the higher administrators were serving the foreign ruler in the civil service or in educational institutions dominated by foreigners. The administrators are sensitive to the commonly held and frequently expressed criticism directed against them on these grounds, and this weakens their will to oppose the often unrealistic aspirations of their political superiors. For all these reasons, effective self-criticism within the government is bound to be insufficient. And since so many of the new countries wish to move in a more or less socialistic direction, the criticism which the competitive market and bankruptcy provide in the system of private capitalism cannot be effective. Hence, detailed and constructive criticism from outside the government—in other words, an effective public opinion—is an imperative condition of sound and not merely quantitative economic progress.

Although the economic planning in the Soviet satellite states of Eastern Europe failed in part because of the burden of Soviet exploitation of these "colonial" economies, the failure was aggravated by the fact that the planners and higher administrators were deprived of the benefit of independent criticism which could have made them more aware of their errors and the means of overcoming them. This kind of critical public opinion needs freedom from government control or cen-

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sorship—and in most of the new countries outside the area of Communist rule, this freedom exists sufficiently. It also needs something more than freedom from external sanctions. It needs well-trained intellectuals who are interested in politics whatever their professional *expertise,* it needs shrewd economists and sharp-witted, actively enquiring minds with a sense of responsibility, with practical acumen, and a strong devotion to the well-being of their country which stops short of doctrinairism and fanaticism—such people are in short supply everywhere, and especially so in underdeveloped countries. It needs, moreover, the institutions of critical opinion—an economically independent press, sound research organizations within and outside universities, and civic and interest associations, as well as a parliament which by its debates and enquiries will inform that part of the citizenry which is concerned with affairs beyond the tip of its nose. These institutions too are inadequately developed in the new and economically underdeveloped countries.

In almost all these new countries, the short supply of talented and trained intellectuals is accentuated by the large-scale operations of the governments. The best are taken into the government at larger salaries, with higher prestige and better conditions of service than they could find in universities and colleges, on newspapers and reviews or in native-owned private business. In consequence, the instructed public opinion in the middle classes and in the country at large is disarmed at its very center, when, thanks to the heritage of cultural and political traditions, that center was weak enough to begin with.

The chief organs of an instructed public opinion—of a critical attitude which shares the general objectives of the government, feels a tie of solidarity with it and wishes it well as one wishes oneself well—are the press, parliament, the universities, and civic and interest associations. Where the wireless broadcasting system is in the hands of the government or a public corporation, it requires a great deal of subtlety and sophistication on the part of the broadcasting administrators to attain a stage where criticism of government actions is permitted; this stage has not yet been attained in underdeveloped countries. The press —both the newspaper and periodical press—must carry the heaviest burden of responsible criticism and the instruction of public and governmental opinion.

The other burdens of the press in these new countries are so great, however, that they can scarcely carry the last straw, which is the government's pre-emption of so many of the best publicists, actual and prospective, and their consequent removal from journalistic circulation.

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Some of the other burdens are perfectly well-known— for example, the high illiteracy rates and the poverty of the mass of the population, which restrict the circulation of newspapers and therewith the income from sales and advertising by private business. Newspapers as a result exist usually on a very narrow margin, and come to depend on government advertisements or announcements for a larger share of their advertising revenue than is the case in the West. One resounding instance of sanctions imposed by a provincial government against a single critical newspaper by withdrawal of advertising goes a long way: most other newspapers become extremely cautious about criticizing the government on points about which it is sensitive. It also makes for circumspection in enquiring closely into such subjects. Even the economically strongest newspapers are cautious about giving the hospitality of their columns to well-informed critics, however responsible and cogent, when they wish above all not to have trouble with the government.

The poverty of the press also means that, for the vast majority of journalists, salaries are poor. The press consequently finds it difficult to attract and retain high-grade young men. Staffs have to be kept small, with the result that there cannot be sufficient specialization to develop the *expertise* necessary for useful evaluation and criticism of economic programs. In addition to these immediate impediments to the formation of an instructed, constructively critical, responsible public opinion, there are others which are more deeply rooted in the past. In the first place, the state of nonattachment to the objects of the phenomenal world, a product of the great traditions of some of the new countries, is expressed in journalism as factual uninterestedness. It is not that false facts are deliberately presented—although that is not infrequent; rather there is lacking that avidity for facts, that deep curiosity to know "what, where, when," which marks the good journalist and also the high-caliber analyst and commentator on current events.

This unfactual disposition is reinforced by journalistic traditions inherited from the period of the struggle for national independence. Aside from the foreign-owned and foreign-edited newspapers and periodicals, the main style of the press during the time of foreign rule was hortatory and polemical. The meticulous search for details and matter-of-fact analysis were not regarded as necessary or appropriate, except among a restricted band of liberal nationalists whose patrician liberalism was swept away with the rest of the Victorian inheritance by the more populistic nationalism which came to the fore in the second quarter of the present century. Denunciation in rhetorical grandeur and perpetual complaint about all manner of iniquities were poor prepara-

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tion for discriminating appraisal and criticism. The outsider who does not face the possibility that his party might come to power does not develop the empathy for the concrete problems which afflict the person holding the responsibility of office. Journalism in colonial countries was the service of a higher cause, not a profession or a business, and the journalism of the underdeveloped countries bears that mark today. Editors do not on the whole expect their reporters to dig for facts; they could not find reporters who could dig for facts, even if they wanted them to do so. Reporters do not think that they are called upon to unearth facts as part of their job; they feel their explorations are over when they have been given a briefing or a "handout" by a government press officer. As a result, the press tends to be stuffed with reports of speeches by cabinet ministers and members of parliament, and with the substance of official releases. Leaders and turnover articles are not based on ample study of the details of governmental or private economic policy and activity. They tend to be very general and either affirmative or denunciatory, without differentiated argument. Even significant reports, very factual in character, by parliamentary enquiry committees find no response in the press because they are not in harmony with the tradition of the profession, which still finds it easier to write about Western foreign policy and the misbehavior of white people toward colored people than about the day-to-day problems of the societies themselves.

It should also be said that the governmental machinery for making detailed information available is not always very useful. The reports of parliamentary proceedings take a very long time to appear in print. Reports of governmental departments and public corporations appear only after much delay and are hard to come by. The government even seems sometimes as if it does not want its actions to be critically analyzed, thus continuing the practices of the foreign rulers.

There are other obstacles to the emergence and effectiveness of responsible criticism of governmental policies in the new countries. Even if the full supply of facts were accessible, responsible sympathizers with these policies would be reluctant to criticize the government in public. The most secure as well as the most unstable of the new states are feeling their way amidst great difficulties, and some of their more circumspect intellectuals appreciate their national independence too much to wish to give the appearance, above all to foreigners but also to their own public, of "letting the side down" by public criticism. They are aware that their new state rests on weak foundations which are recurrently shaken by traditionalistic and communal loyalties, and on an impoverished and depressed peasantry, and they wish to avoid anything

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that would enfeeble the authority of the government or hamper its efforts to create a vigorous consensus in support of its steps to improve the economic life of the country. This reserve on the part of some of the very best-informed and most intelligent intellectuals in the newly established nation is accompanied by the hierarchical traditions of the society, which endow those in authority with charisma and thus make it unthinkable to criticize them. (This traditional attitude, which heightens sensitivity to the charismatic component of authority, is also responsible in a great many cases for much irrational, unfactual criticism, since the new ruling institutions are bureaucratic and untraditional and therefore lacking in the preponderantly charismatic quality which is prized in religious cultures.)

In the press of the new countries, there is no dearth of abusive criticism. Some comes from sensation-mongers, some from those who wish ill to the government, some from disappointed idealists whose struggle for national independence was motivated by deep ethical feelings and an ideal of a dignified national existence which has not yet been realized. Practically none of this criticism is matter-of-fact or well-informed about the dreadfully difficult problems of trying to govern a disunited, traditionalist population by methods appropriate to modern unified countries. Abusive criticism is like the barking of an ill-natured dog; it is heeded only when it is expressed by a party or an interest group strong enough to do political damage. It is never looked to as a source of welcome and helpful guidance. The hostile critics, even those who share the general aims of the government, lack both the factual sense and the facts themselves on the basis of which realistic assessment could be made and constructive suggestions offered.

Against this background it will easily be seen how little opportunity the planning officials and administrators have to receive sympathetic and thoroughly informed criticism from intellectuals, who although outside the government are not so much outside the world of official concerns that they are unaware of the massive facts and the imponderable matrix in which the facts rest.

Likewise, the aid which the press could give to legislators in following the work of the executive and in forming a picture of the true state of affairs in the country is not given, and the information and assessment which the politically interested public needs are not provided.

IV

An effectively critical and independent evaluation of economic policies and practices cannot ever be fully carried out by the newspaper and

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periodical press. Much of the work of the press in this regard depends on more basic enquiries such as could be conducted, and in some countries are conducted, by the staffs of independent universities and colleges, and research institutes. The views of these scholars, in the form of journal articles, monographs, books, lectures and seminars, and newspaper and periodical articles, can contribute greatly to the guidance and to the critical understanding of governmental action. The formal convocation of university intellectuals as consultants and advisors on governmental economic activities is no substitute for these other forms of expression of opinion, however desirable and important it is in itself. Such occasional drawing-in of the better university economists and anthropologists can provide, under favorable conditions, a more detached and broader perspective which the planners and administrators cannot get themselves. Fruitful consultation is possible, however, only where the consultants can draw upon a rich stock of knowledge which they have accumulated through their own and other scholars' research.

This is not the place to discuss in detail the sad condition of the institutions of higher learning in the new countries. The teachers are overworked, underpaid, and disesteemed; they have very poor libraries, they have little time, facilities, or energy for research, and neither they nor their superiors expect them to show any independence in initiating or conducting research on important subjects.

Unlike the situation in the West, the academic life in the new countries has no real tradition of detached factual research on issues of importance to the public good. The work of the Oxford Institute of Statistics, the Cambridge Department of Applied Economics, the National Bureau of Economic Research, so closely connected with Columbia University; the continuous stream of individual studies by qualified university economists, sociologists, and political scientists, of the problems, policies, and activities of concern to the government; and the research publications of para-academic institutions like the National Institute of Economic and Social Research in London, the Acton Society in London, the Brookings Institution in Washington—these have no counterparts in the new countries. The small Gokhale Institute of Economics and Political Science in Poona is almost unique in underdeveloped countries for its intellectual independence from government and for its empirical bent. The Council of Economic and Industrial Research in New Delhi, although formally independent, seems to be largely confined by its terms of reference to problems referred to it by the Government of India. Such a framework of problem selection, although it need not damage the probity of the enquiry, certainly deprives

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the government of the advantages of more detached study of plans for economic development.

There is at present virtually no tradition of impartial social research outside the universities in the new countries, and the Committee on Research Programs of the Planning Commission (in India), UNESCO, and other agencies seem blamelessly to be doing very little to foster it. Nor is the prospect for improvement very bright. Because the universities and the government draw from the same stream, the universities are about as hard put to it as the press to create a tradition of detached factual analysis of governmental economic policy and practice. If a young man is very outstanding in his academic career at home, he either goes abroad to continue his studies or he is taken into the government. When a well-trained young man comes back from a Western university with an advanced degree and with some training in rigorous analysis, a respect and feeling for concrete facts, and an ability to investigate and interpret economic situations, he is usually offered a post in a ministry and also one in a college or university. If he accepts the former he will probably enjoy, in addition to a higher salary, greater prestige, the feeling of helping his country in the immediate future, and the stimulating company of other persons of outstanding intellectual and cultural qualifications. If he accepts the university or college post, he will have, in addition to a poor salary—sometimes very much lower than the governmental salary—a dreary round of teaching and routine duties, and a library very inferior to the library of the Ministry; the Ministry gets the important books from London and New York as soon after publication as modern transportation allows, while the college or university libraries get them several years later, if at all. He will, furthermore, have older colleagues who are jealous of his intellectual attainments and ambition and who are unable or unwilling to provide stimulating intellectual companionship. If he teaches in a college he will usually have no research facilities, and if he ever produces manuscripts under such difficult conditions he will usually go out-of-pocket in order to get them typed. And once typed, their publication in book form faces almost insuperable obstacles in the form of the tiny reading public and the disorganized state of the publishing world. So in most cases the government appointment is accepted, and, apart from a small and wholly admirable group of distinguished exceptions, the colleges and universities become the receptacles of the left-overs and the second class. Few indeed are the outstanding young men who leave government service for the university; far more go the opposite way. And so the cycle goes, reinforcing itself with every completion.

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Again the result is the same as in the case of the press. The government's planning activities are deprived of a realistic and well-informed scrutiny which, while understanding the difficult problems the government is up against, tries from a wider and more detached point of view to indicate where the plans went wrong and what the planners can do to avoid such errors. Under present conditions, officials do not learn to benefit from criticism emanating from the universities; instead they maintain a secretiveness and touchiness which is injurious to efficiency in economic life and to political democracy. The press, parliament, and the public, which, at several removes, could assimilate the knowledge created by university research, go without the factual sustenance that public opinion needs if it is to keep government from persisting on a faulty course.

V

Frequent and considerable though its shortcomings might be, parliamentary politics contributes valuably to the formation of public opinion. It does so, however, only through a continuing scrutiny and criticism of government and the consequent pressure on government to justify its actions in a reasoned manner. The reporting and comment on the ensuing debate in the press and the due notice of it in the more literate sections of the political public enter into the obscure channels through which public opinion is formed. In the underdeveloped countries, parliamentary life suffers either from the overwhelming preponderance of one major party, as in India, or from a plethora of smaller parties, no one of which has a sufficiently large majority to provide stable government and none of which can offer sound opposition. In most underdeveloped countries, legislators of the majority parties—and this applies to much of the minority, too—have demonstrated their merits in the heroism and sacrifice of the campaign for national independence, rather than in particular professions and occupations requiring solid knowledge and responsibility in taking risks and running complex economic organizations. Even where their original educational attainments were high, years of political agitation, imprisonment, and the rough and tumble of oppositional journalism and politics left them standing where they were in their early twenties. Their equally gifted contemporaries who went into administration gained the advantage of elaborate knowledge and political experience. In the conflict which occurs in all governments between the civil servants and the legislators who would control them, and which is aggravated under conditions of underdevelopment and large-scale governmental economic

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operations, the legislators are at a disadvantage. They need all the help they can get from intellectuals in journalism and in the universities. Unfortunately that help is not forthcoming. For the most part the intellectuals in the press and the universities are unable to give it—for the reasons already examined—and their dispositions toward politicians are so unfriendly and derogatory that they would not give it if they could.

In some respects the backbench legislator of the ruling and the opposition parties, the party politician, is as much disesteemed by the intellectuals of the underdeveloped countries as is the businessman. In any conflict between, on the one side, the few outstandingly charismatic political leaders who led the national struggle, and the civil service, and, on the other side, the ordinary legislator who was only a local or second-rank figure, the sympathies of the intellectual outside the government are with the former. The press and university intellectuals do little to aid this ordinary legislator. At the same time, because of their lack of curiosity, their lack of routine civil courage, and their "unfactuality," the intellectuals can do little to curb, by the force of exposure to the public eye, the improper pressures on the civil service which the ordinary legislator sometimes exercises on behalf of communal, religious, and even entirely private ends.

Thus, not only does public opinion not receive the benefits that can be conferred by a lively and self-confident parliamentary life, but parliamentary life itself suffers from the insufficient quality of the intellectuals who are left to the press and the institutions of higher education after the civil service has picked them over.

VI

In the countries which have undergone a slower and more decentralized development than the underdeveloped countries are contemplating, parliament and press and the independent intelligentsia were joined by a mass of voluntary associations which sought to prevent abuses and to further their own aims. Such civic and interest associations are lacking in the underdeveloped societies. The modernization of these societies before independence was only partial and not very autonomous. The civil service and universities, which were the chief elements of modernity, were created and controlled by the foreign ruler; the only autochthonous modern institutions of public life were the oppositional press and agitational political movements. Large-scale native business enterprises, native ecclesiastical and philanthropic organizations, and public activities on behalf of any ends other than national revival and independence were absent. So political leadership in these

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sectors of society, which in modern Western countries plays an important part in the formation and expression of public opinion, was not called into existence. Local political life was either part of the struggle for national revival and independence or it was entirely traditional. The seedbed of modern civic life was scarcely prepared under colonial conditions.

Where modern interest organizations do exist, as in the case of manufacturers' or merchants' associations, they find it difficult to put their case in public. The atmosphere is unfavorable to their representations, and intellectuals are reluctant to enter their employ because they think that the service of business is a betrayal of the ideal. Communal and political associations express their demands more by personal representation and by public demonstration than by public debate and analysis. Thus although the underdeveloped countries are not free from pressure groups, their pressure groups do not express themselves through organs which would contribute to the improvement of the quality of public opinion.

This immense gap must be filled by intellectuals if it is to be filled at all. Intellectuals in underdeveloped countries must provide the administrative leadership and *expertise* which the traditions and situations of their countries, and their own prejudices, have thrust upon them. They must also create the public opinion and furnish the external *expertise* and judgment without which the plans of their governments will go astray.

This, however, can be done only if some of the intellectuals who are first-class in their native capacities and their attainments are not drawn into government or even into politics. It can be done only if, outside the circles of governmental authority, there are strong circles of able intellectuals well-endowed by nature, training, and experience to understand, appreciate, and criticize the undertakings of their governments, within the framework of a fundamental sense of affinity.

The more distinguished intellectuals who enter governmental administration acquire there practical experience and sharpened judgment. To their excellent endowment, they add the sobering and toughening knowledge which comes with responsibility for the day-to-day management of affairs. A tiny handful in private business and a number not much larger in journalism and the universities possess equal capacities and attainments. But the great majority of intellectuals in the underdeveloped countries are alienated from the centers of public life. They are disillusioned and unhappy about the course of events. They feel great ideals have been deserted for the sake of trivial advances.

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In part their disillusionment is a response to the real difficulties of independent national existence, in part a product of the confrontation of the vague and heroic idealism of opposition by the obduracy of reality.

VII

If the underdeveloped countries are to move in the direction to which they aspire, they must deal economically with their material resources. They will be able to do so only if they husband and cultivate their intellectual resources more effectively.

The task is terribly arduous and the territory is uncharted. Difficult though economic development is, there are precedents which give guidance. Intellectual development, which will pay due attention to the requirements of science, scholarship, and preparation for public service and which will try to do by deliberate arrangement what in the West for better or for worse has taken care of itself, is even more difficult; there are fewer precedents and more indeterminate factors. What we say now, even more than what has gone before, should be taken as a contribution to an opening of the problem rather than as a set of specific recipes.

In order for public opinion to work effectively, the critics must somehow feel their fundamental parity with those they criticize. The critics must not be rankled by feelings of exclusion and inferiority. Resentment which comes from a sense of being excluded and dependent inhibits frankness and darkens the power of reason. Hence central and provincial governments should attempt, insofar as it lies in their powers, to foster a sense of autonomy and self-esteem in the press and in the institutions of higher learning. This can be done in part by the studious avoidance of political pressure or the use of the powers of patronage which intentionally or unintentionally influence the free expression of publicistic or academic opinion. For example, appointments to senior positions should be made by boards which are entirely independent of the government. They should include academic persons from outside the state and, in some cases, even outside the country. More than this, financial and fiscal policies which can make the press and universities more economically self-sufficient should be pursued. For example, tax exemptions for advertising in newspapers and periodicals should be increased, and additional tax allowances should be made for private gifts to universities above specified amounts.

A further requirement in the same direction is the establishment of a greater parity of status between the higher civil service and the universities. The traditional respect for the scholar and teacher in Asia is

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a valuable asset which has become dilapidated as a result of the reverence in which powerful secular authority is held; it is most desirable that it be renewed in an appropriate modern form. The renewal of a tradition is, however, one of the least manageable of tasks. A rather roundabout approach which would have other favorable consequences would involve an improvement in the intellectual quality and financial rewards of the academic profession, at least on its higher reaches.

One or two first-class universities or colleges should be maintained with salary levels and conditions of service comparable to those which the higher civil service provides for equally qualified persons. This would prevent the government from making off with the best brains in the academic world. It would make the academic career just as attractive financially and intellectually as the higher civil service and would thus provide a base on which the informed assessment and criticism of economic policies and trends could be developed. It is imperative to create a combination of Nuffield College, All Souls College, and the London School of Economics, which would provide intellectually stimulating society, ample opportunity and facilities for research, and enough teaching to raise up, by a first-rate intellectual discipline, a future generation of persons who would be at home in their own countries while having mastered the best that the most advanced countries can offer in the social sciences.

The absolute quantity of intellectuals of good quality in any underdeveloped country could conceivably be increased if the students who go to Western countries for advanced degrees could be better prepared before departure and better supervised during their periods of foreign study. At present there are many young people from the underdeveloped countries studying in Britain and the United States, representing a considerable investment of foreign exchange and of capital gifts made available by foreign governments and private institutions. Much of this seems to be poorly employed at present. Many of the students from underdeveloped countries are ill-adjusted in the countries to which they come, they idle away more of their time than seems necessary, and they conduct their studies in a half-hearted way. Would it not be possible for a University Grants Committee in each of the underdeveloped countries to establish, in cooperation with the major universities to which their students go, a better system of supervision and guidance than exists at present? Deans of Students and "foreign-student advisors" who know nothing of the background of their charges and the problems that await them at home are hardly in a position to encourage

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the student to make more efficient use of his intellectual opportunities during his sojourn abroad.

Another useful measure would be the assimilation of retired senior civil servants into university teaching and research. The senior civil servants are among the most valuable intellectual resources in the underdeveloped countries, and it is wrong to allow them to rusticate when they retire. Many of them are at the height of their powers, and not only their keen intelligence but their general culture and their shrewd and experienced judgment of the current scene would be invaluable additions to university life and, through it, to educated public opinion.

The principle of a permanent higher civil service, which has been adopted in the new countries from the British model, has a great deal to commend it. It builds corporate morale and guarantees integrity and efficiency. Yet, from the point of view of bringing an outside perspective into government and of making outside criticism more concrete and more pertinent, some modification might be in order. Might it not be desirable to assign senior civil servants who have the appropriate desires and aptitudes to research or journalistic work or to teaching for periods of a year or two at a time, and then let them resume their posts at levels and seniorities which they would have enjoyed had they not taken leaves of absence? Such an experience might give economist civil servants a more critical perspective on the economic state of their country, and it would correspondingly instruct those with whom they came in contact during their "outside" period. A system resembling this, under the sponsorship of the Commonwealth Fund, is already in operation, sending civil servants of the Administrative Class abroad for study and research. The scheme proposed here would send them into the "foreign territory" of industry, journalism, or the university in their own countries, or other underdeveloped countries with problems similar to their own.

A parallel series of measures with respect to the press should be encouraged by the government, since it is desirable that journalists—as well as professors of the social sciences—should improve their understanding of economic life, and that they should be enabled to judge policies and actions in the framework of the real problems facing their country. The chances for this improvement would be enhanced if journalists —and professors—were given opportunities to participate in governmental and private economic enterprises as regular staff members with appropriate responsibilities, for periods of a year or two at a time, returning afterwards to their newspapers or universities at the levels of seniority or rank they would have attained if they had not left.

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The quality of journalists in the new countries would be improved if a system like the Niemann Fellowships were devised. This would allow opportunity for advanced academic study and research to those journalists who have shown most independence and intelligent persistence in pursuing some problem in the economic and political life of their countries. Once more advanced university centers are built up in the new countries, then the Fellows should be attached to these institutions rather than to Harvard, the London School of Economics, and the like.

However excellent the fundamental good sense of enquirers in the fields of government and economics, if they do not have adequate statistical and other descriptive data at their disposal their comments can scarcely rise above the level of generalities and edifying counsel. Governments should therefore develop more adequate reporting practices, making it easier for journalists and research workers to learn, independently of government press officers, just what has been going on in their economies. Civil servants should be allowed to give to journalists or qualified research workers all information which need not be kept secret on grounds of military security. Departmental reports and those of Parliamentary Commissions of Enquiry should be published promptly and should be readily available. Indeed, an overhaul of the government printing department and its system of public distribution is very necessary in many underdeveloped countries.

To meet the economic needs of the underdeveloped countries and, as a by-product, to create a "technological" state of mind, advanced technical training should be carried on in centers on the style of the Massachusetts Institute of Technology, the Zürich Eidgenossische Technische Hochschule, or the California Institute of Technology. Each large new country ought to make an effort to establish one of these institutions, spending sizable sums of money if necessary to attract outstanding teachers of engineering and scientific subjects and providing them with facilities for research. (Smaller countries should form such institutions by confederation on a regional base, either with each other or with their larger neighbors.) If this were done, there would not only be an adequate supply of technologists for economic development but there would begin a diffusion of the practical, matter-of-fact attitude which often accompanies the more specifically technical skills. Both of these are important for economic development and for political stability.

All these measures and many others which ought to be devised and instituted are intended to unify the different sections of the intellectual classes of the new countries, to make them more realistic in their attitudes, more appreciative of the real problems faced by their countries,

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more aware of their heavy responsibilities in the titanic undertaking of promoting economic and social development. If any of these proposals were to succeed only in bringing about the uncritical affirmation of governmental policies by journalists and professors, then it would be a failure, because uncritical affirmation is as useless a guide to realistic action as undifferentiated and ignorant nagging. These are the two temptations which menace the good sense of intellectuals in all countries, and not least in the newer ones. They must be equally avoided if standards of living are to be raised and freedom fortified.

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INDIA'S FOREIGN POLICY TODAY

Reflections upon Its Sources

By ADDA B. BOZEMAN

OCCIDENTAL nations had distinct images of India long before they recognized the new republic ten years ago. To Herodotus and his contemporaries India was the scene of fabled wonders; to devout Christians in the Middle Ages it was the likely site of Paradise; and to the learned of later enlightened centuries it was above all the abode of superior wisdom. In fact, nothing about India seems to have attracted Western scholars so much as the religions and philosophies that originated in the subcontinent millennia ago. The fundamental principles of Hinduism, Jainism, and Buddhism were analyzed and exposed with scholarly care during the nineteenth and early twentieth centuries, as Western minds, increasingly convinced of the essential "materialism" of their own heritage, made a steady pilgrimage to the repositories of the great spiritual truths that India held. Subjects of a more materialistic nature, on the other hand, such as the actual manifestations of the great religions, the social systems that had developed in the shadow of the ancient philosophies, and the forms of government that had molded Indian attitudes toward politics before the advent of British rule, while they were the objects of wide scholarship in England, received scant attention in continental Europe and the United States. By neglecting these realities and over-evaluating the religious and philosophical factors in Indian life and thought, an image was gradually fashioned of the Indian nation as essentially spiritual in its orientation and therefore righteous in its conduct.

This stereotype was not dislodged during India's struggle for independence. On the contrary, there is reason to believe that it was reenforced, especially in this country, by the new impression India made as a liberty-loving nation. For the objectives of the fight for freedom as well as the methods employed on its behalf were generally regarded in the West as ethically right, even though the issue of righteousness was being judged not in terms of Indian religion and philosophy—with which modern Indian nationalism has no connection—but in terms of Western liberalism—which is the spiritual anchorage for modern Indian movements toward liberty. Any discrepancy between the common Western conception of India and the Indian reality was thus covered up

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when India entered the society of established states and set out to create itself in its own image.

It takes a long time for a new state to gain a sense of its own identity, and it takes even longer for established states to identify the nature of the new state. For the evidence required for this type of recognition accumulates slowly as the new nation manifests itself in domestic and foreign affairs. It is therefore more difficult to interpret than that conventionally required for an assessment of the mere fact of statehood. Those in the West who thought they had recognized India's true identity before 1947 were somewhat disturbed by such early manifestations of the Indian state as New Delhi's approaches toward the problems of Kashmir and Hyderabad. But it took the United Nations debate in 1956-57 on Soviet aggression in Hungary to shake their confidence in the idea, to which they had consciously or unconsciously held fast, that India was a particularly righteous nation.

Now it is interesting to note that public opinion in India did not rally wholeheartedly behind the government's view of the nation's identity as expressed in its policy toward the Hungarian case. Several Indian writers and politicians were highly critical of their country's voting record in the United Nations, and something like a public debate on the merits of India's foreign policy seemed in the offing. Illustrative of the criticisms then voiced was that of Frank Moraes, the author of Mr. Nehru's biography, who wrote: "I must confess to a sense of acute embarrassment when India abstained in the General Assembly in November on the vote condemning Russia's action in Hungary, and to discomfiture and dismay when we actually opposed the proposal that the Soviet troops should be asked to withdraw from Hungary. Neither of these actions can be satisfactorily explained, certainly not by the devious technical pleas which Mr. Krishna Menon so combatively raised. . . ."[1] Similar views were expressed elsewhere in the press. In fact, Mr. Nehru was politely taken to task for lecturing other nations in international ethics by expounding what T. S. Bawa has called the *Code de Nehru* in international relations,[2] and for betraying this code in the conduct of his own nation's foreign policy. This public debate, if such it may be called, grew fainter when the Kashmir issue united Indians of all political opinion. It stopped altogether during the election, when the Prime Minister counseled the Bombay electorate to vote for Mr. Krishna Menon because he would regard the outcome

[1] "India's Foreign Policy," *The Illustrated Weekly of India*, January 27, 1957.
[2] *Nehru's India*, New Delhi, 1956, p. 75.

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of this particular vote as an approval or disapproval of his government's general stand in foreign affairs.

It is within this context that this study of the sources of contemporary Indian foreign policy was conducted. The conclusions reached will be presented here by outlining (1) several basic policy statements that the government has made officially; (2) actual policies that are discernible in the present-day record; and (3) the sources of reference that seem to determine Indian thought and action in the field of foreign affairs.

I

Certain guiding principles for the conduct of international relations were laid down by the Indian National Congress in 1920 and 1927. Resolutions were then passed to the effect that India would cooperate with other, especially neighboring, countries; that India would not become a party to an imperialist war; and that she would never join a war without the consent of her people.[3] These principles were elaborated after 1947 largely through the mechanism of the Prime Minister's speeches—Nehru speaks often, usually extemporaneously, and at great length—until they could be summarized in the now-familiar statement that India stands for "positive neutralism and nonalignment with major power blocs." Other official statements of policy goals are the Charter of the United Nations, to which India subscribed, and the so-called *panca sila*, now the principal official reference in foreign affairs. These five precepts were set out in April 1954 in the preamble to the Sino-Indian Agreement on trade with Tibet. They were subsequently confirmed in a joint statement by Nehru and Chou En-lai, and have since been restated in numerous bilateral declarations made by India on the one hand, and Asian and Eastern European states, including the Soviet Union, on the other. The *panca sila*, which the Prime Minister has explained as India's answer to the doctrine of security pacts, lists these five norms of international behavior: (1) mutual respect for each other's territorial integrity and sovereignty; (2) nonaggression; (3) noninterference in each other's individual affairs; (4) equality and mutual advantage; and (5) peaceful coexistence and economic cooperation.

II

Within the framework of these and other verbalizations, the following actual policies or positions have become discernible:

[3] "India's foreign policy of non-alignment and friendly relations with all nations, as well as our general outlook about the freedom of all countries and anti-colonialism, started from that period. . . ." From an address given by the Prime Minister in New Delhi in 1955. See Moraes, "India's Foreign Policy," *op.cit.*

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(1) The incorporation of Kashmir. It should be noted, however, that in Indian opinion this is not a foreign-policy issue, for Kashmir is regarded today as an integral part of India.

(2) The retention of some degree of control over the foreign relations of neighboring Nepal.

(3) The promotion of the strength and solidarity of all Asia—indeed, of the entire non-Western world.

(4) The fight against colonialism and imperialism. The Indians—for that matter, most Asians—seem to define "imperialism" as any manner of control exercised by white over nonwhite nations. Frank Moraes elucidates this interpretation in the following passage:

> Quite frankly, the concept of Soviet imperialism or colonialism makes little impact on the Asian mind, which has always equated colonialism with colour. Colonialism, to Asia and Africa, spells the domination of white Powers over the coloured countries of the earth. The Japanese, it is true, were also condemned by India as colonialists in China. But pre-war Japan, according to the Asian thesis, was so wedded to Western techniques of production and power that her imperialism was a parallel projection on the political plane. Moreover, the traditional concept of colonialism fixes its main motivations in an urge for sources of cheap raw materials and for cheap and plentiful manpower.
>
> In Asian eyes no one of these tests applies to Soviet imperialism or colonialism. The countries behind the Iron Curtain are European and white with the exception of the Soviet Asian republics which claim to be equal and autonomous units of the U.S.S.R. Colour does not enter into this form of imperialism. . . . Nor are the Iron Curtain nations reservoirs of cheap manpower or sources of cheap raw materials. . . .[4]

(5) Hostility to close political relations with any of the Western nations. The most recent manifestation of this attitude is India's growing alienation from Britain. The threat that India might leave the Commonwealth, which came originally from the extremists, notably the Communists, is now not discounted as a future possibility in Congress Party circles. This became evident in the Lok Sabha debates of March 1957, when the Commonwealth did not have many champions.

(6) Solicitation of foreign aid, notably from the United States and other Western nations. This goal is being pursued with increased vigor, for the second Five Year Plan counts on the receipt of Rp. crores 800 (1 cr. = 10 million) from foreign aid sources.

(7) The establishment of India as a great power. It is difficult not to agree with A. D. Gorwala when he writes: "Another significant influence on the minds of the elite is what might be called the 'great

[4] Frank Moraes, *Jawaharlal Nehru: A Biography*, New York, 1956, pp. 465-66; with the permission of the Macmillan Co.

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power complex.' The vastness of India and the memory of its ancient glories arouse in them a desire to embark on schemes that will appear appreciable from contemporary city standards anywhere in the world. Hence, forgetting basic things, or regarding them as secondary, they concentrate on grandiose attractions like enormous buildings, huge international conferences, the pomp and outward paraphernalia of governments, splendid representation in foreign lands, luxury consumer services. . . ."[5]

Now it cannot be said that these policies are consistent in all instances with the guiding principles as they have been officially stated. Nor can it be said that all of these policies are mutually compatible. For example, while India claims to be neutral in the great controversies of the day—can a nation that has great-power aspirations ever be neutral in international relations?—she has in fact shown herself partial to the totalitarian regimes when they were ranged against democratic governments. This point has been made rather emphatically by Frank Moraes: "The one criticism, however, which can be made against our policy of non-alignment is not that it is unsuited to the needs of our country or unrealistic, but that in implementing it we have often laid ourselves open to the charge that we are inclined more in favor of the totalitarian countries such as Russia and China than of the democracies. The complaint is often heard—and I personally feel it is legitimate—that in cases where we might have given the benefit of the doubt to the democracies, we have chosen to give it to the totalitarian countries."[6] A further manifestation of partiality is the steady support, undifferentiated by consideration of objective issues, which India has given to Asian and African nations in their relations with those of Europe and America. It can be argued, in fact, that the Bandung alliance itself is an "alignment" with one of the major world powers, i.e., China.

If one examines the policies that are designed to promote the solidarity of all Asia, the sovereign equality of all nonwhite nations, and India's own prestige as a great power, one finds several other striking inconsistencies. The most obvious violation of the spirit of Bandung is surely India's bitter enmity toward her Asian neighbor, Pakistan. And one may also refer, in this context, to the condescension with which

[5] "Some Essentials of a Welfare State," *The Statesman* (Republic-Day Supplement), January 26, 1957.

[6] "India's Foreign Policy," *op.cit.* See also Prem Bhatia, "Prestige Abroad," *The Statesman* (Republic-Day Supplement), January 26, 1957: "In the conduct of foreign affairs the difficulties of pursuing a policy of objective non-alignment have never before appeared so enormous. If Suez tested several conflicting loyalties, Hungary proved an even more trying situation. . . . Our stand drew much justified criticism."

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India treats Nepal,[7] and to those cracks and fissures in India's common front with Ceylon and Burma, which are due primarily to the distrust in which India's great-power aspirations are held by the weaker nations of the region.

Lastly, one may doubt the logic of a foreign policy that seeks to procure economic assistance on a vast scale from the Western democracies and at the same time persists in discriminating openly against these nations.

Now it may be interjected at this point that the proper test of a policy is not its inner logic but its total external success in promoting the economic and political security of the state. But how successful is India's foreign policy in these respects? The record discussed here indicates that the twin causes of neutrality and Asian solidarity have not been furthered appreciably in the past years. And while India has thus far been successful in bolstering her economic security by eliciting aid from the West, she has come dangerously close to exhausting the tremendous reservoir of good-will which has released the flow of economic assistance in the past. But the chief failure of India's foreign policy was registered in the realm of political security, when China succeeded in driving a hard bargain in the matter of Tibet, the *panca sila* notwithstanding; for India was then forced to acquiesce in a political arrangement that implied the forfeiture of long-standing strategic advantages on the all-important northern frontier.[8]

III

These and other incongruities, ambiguities, and failures have not been explained either by the Indian government or by Indian critics of the political scene. Indeed, a Western student of Indian politics cannot

[7] Moraes quotes the Prime Minister as having said, in 1950: "The test of the independence of a country is that it should be able to have relations with other countries without endangering that independence. Nepal's foreign relations were strictly limited to her relations with the Government functioning in India at the time. That was an indication that Nepal's approach to international relations was a very limited one." *Jawaharlal Nehru*, p. 463; with the permission of the Macmillan Co.

The divergence between the voting records of India and Nepal in the United Nations debate on Hungary indicates that Nepal may have outgrown the exclusive relationship to which Mr. Nehru referred.

[8] The present article had been written when A. D. Gorwala delivered a speech before the Indian Council on Foreign Affairs in New Delhi on August 12, 1957, in which he called for a thorough reappraisal of India's foreign policy on the ground that it had not "served our national interest." Calling attention to the failures of the government's policy implicit in the new status of Tibet, the hostility of Nepal, and the alienation of sympathy in Great Britain and the United States, he concluded with the statement that the government's most solid achievement in the realm of foreign affairs was to be found in the fact that it had made international communism respectable in the world. For a report on this address see *The Statesman*, August 13, 1957.

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help but register amazement at the ease with which conflicting arguments and references are accepted by even the most informed section of the Indian public. In the absence of any Indian lead in this respect, it is therefore perhaps not too presumptuous for an outsider to inquire into the sources that determine or explain Indian attitudes toward the conduct of international relations.

The foreign policy of any modern state devolves from implied or explicit references to strategic, economic, and ideological considerations, and aims at the preservation and furtherance of the national interest. But the conceptual sources and political definitions of the national interest vary from country to country, as do the meanings and emphases given to the factors that influence its determination. The Indian government has been less outspoken than most other governments in defining the national interest in strategic terms, but even a cursory glance at India's northern boundary will convince an observer that considerations of military security must be a primary concern in New Delhi. This impression is borne out by the actual measures that have been taken in order to repress the revolts of the Naga Hostiles and to keep the peace in Bhutan, Sikkim, and Assam,[9] and by the obvious and understandable, but not openly admitted, Indian interest in controlling the strategically vital valley of Kashmir.

That India's national interest is wound up inextricably with its economic development goes without saying. Although this connection has not been made explicit whenever the government has explained its foreign policies to the public, it has been stressed by the Prime Minister when he has had occasion to theorize about the essence of all foreign policy. A speech he delivered on December 4, 1947, at the Constituent Assembly in New Delhi, contains the following passage: "Ultimately, foreign policy is the outcome of economic policy, and until India has properly evolved her economic policy, her foreign policy will be rather vague, rather inchoate, and will be groping."[10]

Most foreign policy statements since 1947 have been presented in deliberately political and ideological terms. It seems justifiable, therefore, to focus this inquiry upon the intellectual sources of India's present foreign policy.

A survey of India's long history leads to the conclusion that contemporary political thought is caught in a welter of different and con-

[9] These "problem" areas could be designated as non-self-governing territories if the nomenclature used in the United Nations were applied objectively to all areas in the world.

[10] Jawaharlal Nehru, *Independence and After: A Collection of Speeches, 1946-1949*, New York, 1950, p. 201.

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tradictory intellectual references that have been derived in successive stages from Hinduism, Buddhism, Islam,[11] Western liberalism, and Marxism-Leninism. It is the predicament of the present generation of political theorists and statesmen that they must identify and evaluate each of these references in terms of its political content, and reconcile conflicting intellectual positions, before they can hope to find an overall orientation that would both meet the practical problems of the twentieth century and still accord with those traditions that are found to have an enduring hold on the Indian mind. This predicament has not yet been recognized in India. A stimulating lecture which K. M. Panikkar delivered on July 22, 1955, before the Harold Laski Institute of Political Science at Ahmedabad, illustrates some aspects of this problem. "The melancholy fact about India today," Mr. Panikkar said, "is that political science is the most neglected course of study in our universities, one on which there has been little or no original contribution made by our thinkers," "that there has been no systematic thinking in modern India outside the academic life on the foundations of politics," and "that our leaders of thought have never considered it worth while to examine the relation of the individual to the state. No political leader among us has tried to formulate any theory of social order, inquire into the principles on which we have reared our political institutions, examine the validity of the many assumptions of our public life. Indeed, this is a strange and melancholy situation."[12]

This state of affairs, Mr. Panikkar holds, is due to the impact which Western political thought has had on India: "The textbooks which are taught in our universities and the doctrines that are expounded by our teachers and studied by our students are unrelated to our social order, and are generally speaking foreign to our experience, [so] that I have often wondered whether as at present constituted these studies serve any purpose at all. To study Aristotle, Bodin, Hobbes, Rousseau, Green and others may be an intellectual discipline, to be familiar with their views may be a part of liberal education, to be concerned with such imprecise terms as democracy, dictatorship, will of the people and social contract, may not be less useful than being engaged in perpetual discussions on metaphysical problems, but no one could pretend that they touch the hard core of power in society."[13]

[11] Islam reinforced certain significant political traditions of Hinduism; but since it did not suggest to India essentially new points of departure in the field of international relations, it will not be considered here.

[12] "Indian Doctrines of Politics," First Annual Lecture at the Harold Laski Institute of Political Science, pp. 2, 3.

[13] *Ibid.*, pp. 2-3.

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Now there was a time, Mr. Panikkar stated, when India was the home, as it were, of political science, and it is the political doctrine that was then taught, studied, and practiced which should be reinstated in the minds of Indians today in order to promote the development of "independent political thinking related to our social order and institutional structure, [which] is the basic need of India today."[14] Mr. Panikkar's reference here is to the *Mahabharata*, which he explained as "that encyclopaedia of Indian thinking, which has long been the one instrument of the education of the Indian mind, and to which, in spite of all our familiarity with Western literature and thought, we still return for the solution of our problems,"[15] and to the *Arthasastra*, that central text of Indian political science, which "enables Hindu thinkers to evolve a purely secular theory of state of which the sole basis is power."[16]

The idea of the state which had been evolved in this context by Kautilya and his successors went, in Mr. Panikkar's opinion, "far beyond the limited imagination of Machiavelli," for the author of the *Arthasastra* "thought of the state as an organization which took within the range of its interests every sphere of human activity—in fact it was the prototype of the modern omnipotent administering state," against which the individual could advance few, if any, rights.[17]

The conception of international relations that is embodied in the political tradition evoked here derives from a philosophy of power and success which permits of no ethical or moral considerations. For international politics as conceived in the *Arthasastra* is an enterprise of battle in which all forms of trickery and deceit are permissible, and in which each neighboring state is presumed to be unfriendly, jealous, and aggressive, biding its hour of surprise and treacherous assault.[18] In these circumstances a formula was evolved for attaining success and power which became known as the "science of the mandala."[19] This science stipulated that each king was to regard his realm as located at the center of a kind of target, surrounded by "rings" (mandalas) which represented, alternately, his natural enemies and his natural allies.

So much for the Hindu theory of government and foreign relations which a leading and influential Indian intellectual would like to resurrect as a living frame of reference in contemporary Indian politics.

[14] *Ibid.*, p. 4. [15] *Ibid.* [16] *Ibid.*, p. 8.
[17] *Ibid.*, pp. 12ff., for an elaboration of this thesis.
[18] Heinrich Zimmer, *Philosophies of India*, New York, 1951, p. 115.
[19] Kautilya's *Arthasastra* 7; see Zimmer, *op.cit.*, p. 115.

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But while Mr. Panikkar may well be right in his assumption that this intellectual inheritance, while not always openly avowed, is yet firmly lodged in the unconscious mind of India,[20] it is not possible to conclude from the record that Indian foreign policy actually reflects the kind of statecraft that the *Mahabharata* and *Arthasastra* recommend. For not only are policies rarely, if ever, explained and analyzed by the government in the context of a national interest or of strategic thinking generally, but certain policies, notably those toward Russia and China, actually deviate from Kautilya's precepts of political geometry, in that they seem to disregard the presence of aggressive tendencies among strong neighboring states.

The question, then, is, to what intellectual context does the government refer its policies? The policy statements that were reviewed earlier point rather obviously to Buddhist ethics, citing as the principal platform of India's present foreign policy the so-called *panca sila.* It is important, therefore, for the purposes of this discussion, to examine the relationship of Buddhist ethics to Indian foreign policy.

The system of Buddhist ethics as originally formulated had nothing to do with political ideologies. Its purpose was the development of a nonpolitical mentality, withdrawn from the concerns of acquisitive and self-defensive action. With this end in mind the Buddha laid down Ten Precepts or Commandments, the first five of which were to be regarded as the fundamental moral code by brethren and laymen alike (the other five were binding only on the monks). These five precepts—the *panca sila*—admonished the Buddhist to avoid (1) the destruction of life, (2) theft, (3) unchastity, (4) lying, and (5) the use of intoxicating liquor.[21] They constitute the central part of the content of Buddhist morality as taught and practiced today over the entire Buddhist world.[22] Now, it is important in connection with this inquiry to recall the fact that an attempt was made in the reign of Asoka, himself a devout Buddhist, to introduce Buddhist ethics into international relations. The attempt failed—in fact, it was conducive to the disintegration of Asoka's empire. Without entering into the merits of the question whether Buddhism can ever be transformed into a political ideology governing the conduct of states and still retain its character as a religion of individual salvation, let us see what is actually involved in

[20] "Indian Doctrines of Politics," p. 4.

[21] Henry Clarke Warren, *Buddhism in Translations* (Cambridge, Mass., 1922, p. 397), lists the Commandments as: abstinence from destroying life, from theft, from fornication and all uncleanliness, from lying, from fermented liquor, spirits, and strong drinks which are a hindrance to merit.

[22] J. B. Pratt, *The Pilgrimage of Buddhism,* New York, 1928, pp. 178, 715.

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the evocation of Buddhist ethics in twentieth-century Asian, especially Indian and Chinese, politics.

Firstly, it must be remembered that Buddhism has long ceased to be a frame of reference for individual conduct in both India and China—the two nations that discovered the *panca sila* as the governing principle in their foreign relations.

Secondly, it is obvious from the biographies of the two leading statesmen—Nehru and Chou En-lai—that both are far removed in their thoughts and actions not only from Buddhism but also from any other religion.[23]

And, thirdly, it is difficult indeed to find any relationship whatsoever between the *panca sila* as formulated by Nehru and Chou En-lai, and the *panca sila* of the Buddhist religion. In other words, the reference to Buddhist ethics in the context of Indian foreign policy is spurious.

The true provenance of the concepts contained in Mr. Nehru's *panca sila*—namely, mutual respect for each other's territory, nonaggression, noninterference in each other's internal affairs, equality and mutual advantage, and peaceful coexistence and economic cooperation—is the modern history of international organization as developed in the Western world. For each and all of these principles of international conduct are not only embodied in the Charter of the United Nations, but may be found also in many documents that preceded this international constitution. Such an acknowledgment could not be expected in the prevailing climate of opinion; and even if it had been forthcoming, it would have been unreasonable to assume that India's interpretation of the concepts would have been in accord with Western traditions. But what is disconcerting here is the realization that few Indians today actually perceive the parallel between their "new" statement of policy on the one hand, and the old political tradition of the West on the other.

Now, this was different in the less self-conscious days of India's movement toward independence, when the nation's intellectual lead-

[23] In Mr. Nehru's view, as reported by Moraes in *Jawaharlal Nehru*, p. 214, any activity is religious in quality, if it is pursued on behalf of an ideal and against obstacles and in spite of threats of personal loss, because of a conviction of its general and enduring value. Mr. Nehru's deep commitment to the cause of modernizing and industrializing his country may, in this sense, be termed "religious," even though its corollary is a pronounced impatience with all manifestations of India's ancient religious traditions that seem to obstruct the goal of modernization. This is, perhaps, the context in which one should understand the Prime Minister's rather startling reference to the new Hirakud Dam as one of modern India's temples in which he worships. The occasion for the reference was the opening of the dam in January 1957.

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ership frankly acknowledged the validity, for India's foreign policy, of the cultural context in which such preferred values as national independence, self-government, and sovereignty had been developed—witness the resolutions of the Congress in 1920 and 1927, discussed earlier. Indeed, it was Gandhi's imaginative and original reading and use of the literary, philosophical, and religious traditions of the West which accounts, to a considerable extent, for the apt formulation of the concept of nonviolence in international relations. It is true that this policy was actually applied only to India's relations with the British, and its singular success is therefore no proof of its intrinsic value or wisdom. Nevertheless, a significant new reference for the conduct of international relations had been found, and it is proper to ask, therefore, whether the principle of non-violence has been accommodated in post-Gandhian India and, if so, in what form.

Few aspects of the intellectual history of the independence movement are as interesting and significant as the relationship between Gandhi and Nehru. In fact, it is possible to read this history as a continuous dialogue between two outstanding personalities who viewed the great problems of life in general, and of their nation in particular, in very different ways. Their biographies make it clear that Nehru could not accede to a philosophy that glorified the nation's poverty and stressed the importance of nonpolitical activities, and that he could not understand or appreciate the older man's insistence on nonviolence as a cardinal principle of political behavior. The choice between violence and nonviolence was to be determined in Nehru's view by practical, not by moral, considerations. In 1929 he condoned the tactic of nonviolence on the ground that resort to violence, far from promising substantial results in the struggle for freedom, would have been conducive to the disruption of the nation.[24] After 1947 Mr. Nehru saw the problem differently, for his government did not hesitate to resort to armed force in Hyderabad and Kashmir. One must thus agree with Moraes when he writes that India has no doctrinaire attachment to the concept of nonviolence.[25]

If India's present foreign policy is not anchored in Indian systems of thought, where are its ideological roots? The answer, derived from a study of recorded political pronouncements and actions, points clearly to the Marxist-Leninist theory of history and economics as it was expounded at the London School of Economics in the 1920's and 1930's, and as it was understood by Nehru personally. This body of references,

[24] Moraes, *Jawaharlal Nehru*, p. 149.
[25] *Ibid.*, p. 467.

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which was not accepted by Motilal Nehru, Gandhi, and other older leaders of the Congress, impressed Jawaharlal Nehru as a dynamic set of principles and as a call to action.[26] It illumined his reading of world history, his interpretation of India's experiences under British rule, his pessimistic analysis of Europe's problems, and his optimistic view of all developments in the Soviet Union. The principal theoretical propositions appropriated by Mr. Nehru from this source are: that the European concept of democracy is a shell cloaking great inequalities and that it is apt to become perverted in terms of fascism; that capitalism provides its own grave diggers; that capitalism is the head and fount of the vicious sin of colonialism; that its spawn, imperialism, nurtures within itself the seeds of conflict and decay; and that socialism as implemented in the Soviet Union holds out the greatest hope in this dismal age. Two excerpts from Mr. Nehru's writings are illustrative of these views. In a letter to his daughter he writes: "Fascism thus appears when the class conflicts between an advancing socialism and an entrenched capitalism become bitter and critical. . . . So long as capitalism can use the machinery of democratic institutions to hold power and keep down labour, democracy is allowed to flourish. When this is not possible, then capitalism discards democracy and adopts the open Fascist method of violence and terror."[27]

And in his book *Toward Freedom*, Nehru expounds this thesis in the following terms:

> Two rival economic and political systems faced each other in the world, and, though they tolerated each other for a while, there was an inherent antagonism between them, and they played for mastery on the stage of the world. One of them was the capitalist order, which had *inevitably* developed into vast imperialisms, which, having swallowed the colonial world, were intent on eating each other up. Powerful still and fearful of war, which might endanger their possessions, yet they came into *inevitable* conflict with each other and prepared feverishly for war. They were quite unable to solve the problems that threatened them, and helplessly they submitted to slow decay. The other was the new socialist order of the U.S.S.R., which went from progress to progress, though often at terrible cost, and where the problems of the capitalist world had ceased to exist.
>
> Capitalism, in its difficulties, took to fascism with all its brutal suppression of what Western civilization had apparently stood for; it became, even

[26] This conclusion is borne out by Nehru's writings, in particular *The Discovery of India*, New York, 1946; *Glimpses of World History*, New York, 1942; *Independence and After: A Collection of Speeches, 1946-1949*, New York, 1950; *Toward Freedom: The Autobiography of Jawaharlal Nehru*, New York, 1941. It is confirmed by Moraes, *Jawaharlal Nehru*, especially p. 215.

[27] Quoted in Moraes, *Jawaharlal Nehru*, p. 113; with the permission of the Macmillan Co.

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in some of its homelands, what its imperialist counterpart had long been in the subject colonial countries. Fascism and imperialism thus stood out as the two faces of the now decaying capitalism . . . they represented the same forces of reaction and supported each other, and at the same time came into conflict with each other, for such conflict was inherent in their very nature. Socialism in the West and rising nationalisms of the Eastern and other dependent countries opposed this combination of fascism and imperialism. Nationalism in the East, it must be remembered, was essentially different from the new and terribly narrow nationalism of the fascist countries; the former was the historical urge to freedom, the latter the last refuge to reaction.[28]

To the question where India should stand, Nehru answered that "Inevitably we take our stand with the progressive forces of the world which are ranged against fascism and imperialism."[29]

The affinities between Mr. Nehru's application of the Leninist formula of Marxism to world politics and that expounded by Harold Laski in the 1930's and 1940's are striking. For Laski, too, was convinced that the capitalist democracies would "inevitably" degenerate into fascism. Indeed, he maintained that the Fascist state is, "nakedly and without shame, what the state, covertly and apologetically is, in capitalist democracies like Great Britain or the United States,"[30] and that the distinction between the judicial systems of capitalist democracies and of Fascist dictatorships is one of degree rather than of kind.[31] The only possibilities, Laski concluded, are therefore the opposite alternatives of fascism and revolutionary socialism. Like Nehru, Laski pointed continuously to the sharp contrast between the spirit of exhilaration and optimism found in the Soviet Union and the general sense of insecurity and anxiety found in capitalist countries.[32] Both men were convinced that the Soviet Union held out the highest hope for a regeneration of mankind, and both were immensely impressed with the

[28] Jawaharlal Nehru, *Toward Freedom: The Autobiography of Jawaharlal Nehru*, New York, 1941, pp. 389-90. Italics added. Copyright 1941 by the John Day Company.

[29] *Ibid.*, p. 390. See also p. 348: "As between fascism and communism my sympathies are entirely with communism"; and p. 359: "The challenge of fascism and Nazi-ism was in essence the challenge of imperialism."

[30] Quoted in Herbert Deane, *The Political Ideas of Harold Laski*, New York, 1955, p. 154.

[31] *Ibid.*, p. 158.

[32] "There is poverty, there is intellectual error, there is grave moral wrong; but there is also unlimited hope" (quoted in *ibid.*, p. 213); "there has been more realization of personality under the Soviet regime than in any comparable epoch in history" (quoted in *ibid.*, p. 212); "When the last word has been said against Russian bureaucracy, against the hindrances to the political self-expression we know in Britain and the United States . . . the solemn truth remains that *in the Soviet Union, since the October Revolution, more men and women have had more opportunity of self-fulfillment than anywhere else in the world*" (quoted in *ibid.*, p. 246; italics in original).

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capacity of communism to arouse mass enthusiasm.[33] But neither has ever wanted to identify himself completely with the cause of communism.[34] Their writings indicate that they were irritated by the methods which the Communists employed in the furtherance of their aims and that they preferred the means of effecting change that had been perfected in the Western democracies. But while Laski dropped this preference gradually,[35] Nehru has continued to insist that Marxist blueprints can be executed by democratic means.[36] For example, in accounting for his participation in the Congress of Oppressed Nationalities held in Brussels in 1927-28, he has admitted that he usually sided with the Anglo-Americans on questions of methods even though he shared the objectives pursued by the Communists.[37] Indeed, Nehru's entire approach to government as the practical agency for reforming society reflects strongly the influence of English constitutionalism. That India is still a democracy—however hollow this form of government is made to appear in Mr. Nehru's theories—is, as a matter of fact, largely due to the Prime Minister's insistence on maintaining democratic processes at home.

The contradiction between Mr. Nehru's approach to government and his interpretation of international relations has never been resolved. It is nowhere more apparent than in his attitude toward the Communist Party. For while he approves of what the Party stands for in the context of world politics, he evidently does not like it as a political phenomenon. Indeed, he goes out of his way in trying to separate the Party and its international activities from the policies which Communist nations pursue.[38]

[33] See Vivek, pseud., *India Without Illusions*, Bombay, 1953, pp. 112ff., for a critique of the Prime Minister's attitudes: "Quite a number of people, by no means unfriendly to the government of India or its Prime Minister, Indians, as well as foreigners, have been greatly perturbed by the references in Mr. Nehru's recent speeches to the merits of communism and the likelihood of its eventual adoption by most countries of the world."

[34] Moraes, *Jawaharlal Nehru*, p. 110.

[35] See Deane, *op.cit.*, for an account of the evolution of Laski's views in the late 1930's.

[36] Moraes describes Nehru as "a Marxist by intellectual conviction who wishes to bring in the socialist millennium by democratic means and methods" (*Jawaharlal Nehru*, pp. 216-17).

[37] Nehru, *Toward Freedom*, p. 126.

[38] Nehru's misconception of the place which Marxism assigns to the Communist Party is similar to that revealed in Laski's writings.

On some interesting aspects of the relationship between Nehru and the Communist Party of India, especially the efforts of the latter to woo the Prime Minister, see Vivek, *op.cit.*, p. 116. The conclusions reached by Vivek are borne out by a reading of the Indian Communist press in 1956-57.

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These assumptions, implicit in Mr. Nehru's mode of thinking, seem to have become immovable fixtures in the official Indian system of political references. No one in authority has questioned their intrinsic validity in the light of the many political and economic changes that have occurred in the Western democracies and the Soviet orbit during the last twenty years. Nothing in the development of the United States seems to have shaken the thesis that America is a capitalist country in the doctrinaire sense of the word, and therefore imperialistic by definition.[39] Nothing in the evolution of Russian communism seems to have suggested to Mr. Nehru close analogies to Fascist totalitarianism, and nothing in the expansion of the Soviet Union seems to have reminded him of the phenomenon of imperialism as he had defined it in his younger days.[40]

The survival of this stereotyped set of intellectual references in world affairs, which stands in marked contrast to the resourceful and imaginative use of ideas in Indian domestic politics, is due primarily to the fact that foreign policy matters are generally regarded in India as falling within the exclusive competence of the Prime Minister,[41] whereas domestic issues are constantly reviewed and reappraised by India's numerous democratic institutions. In these circumstances it is only Mr. Nehru personally who could have scrutinized the basic assumption of his approach to international relations. Such a scrutiny has not been forthcoming, for reasons that appear clearly in Mr. Nehru's written and oral

[39] Compare Mr. Nehru's inability to understand the U.S. with that of Laski.

[40] Mr. Nehru's comments on the foreign policies of the Soviet Union and Communist China make it clear that he does not choose either to measure their present policies or to gauge their future intentions by the Marxist-Leninist standards which he applies to an analysis of politics in the democracies. Instead he seems to assume, much in the manner of the Communists, that Communist countries are peace-loving by definition. At any rate, as Vivek (*op.cit.*, p. 35) points out, Mr. Nehru has never given any reasons for his certainty that Russia wants peace and that China has no aggressive designs. In Nehru and Cousins, *Talks with Nehru* (New York, 1951, p. 42), the Prime Minister notes that Tsarist Russia was imperialist but that Soviet Russia is not. A question about his reaction to the Communist coup in Czechoslovakia in 1948 elicited a lengthy reply on the evils of the Nazi coup in that country in 1938 (*ibid.*, p. 55). Asked to comment on China's invasion of Tibet, Mr. Nehru replied: "I am not afraid of any external threat to India [from that direction]. . . . The real reason and the basic reason is that I do not think that India and China are going to function in that way toward each other" (*ibid.*, p. 44).

[41] Moraes, *Jawaharlal Nehru*, pp. 93, 233, 482. In commenting on Mr. Krishna Menon's role in the shaping of India's foreign policy, Moraes suggests that it is Menon's "ability to rationalize Jawaharlal's instinctive, often emotional ideals" which makes him a particularly valuable advisor (*ibid*,. p. 331).

The deep understanding between Mr. Nehru and Mr. Krishna Menon which baffled many observers during the United Nations debates in 1956-57 is no doubt partially due to the fact that both think in identical Marxist terms when they analyze foreign affairs.

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pronouncements.[42] These biographical records reveal that the Prime Minister is a man of very strong feelings, and that two emotions in particular have dominated his thoughts about foreign affairs: a deep hostility to the West[43] and an unshakeable faith in everything Asian. And these emotional commitments became irrevocable when it was found that they could be vindicated by certain rational propositions implicit in the dogma of Marxism-Leninism. In other words, it was the seeming concurrence of emotionally and rationally held truths which provided the Prime Minister with a formula for the analysis of international relations. And it is this Indian formula which supplies the key to an understanding of the inconsistencies that the non-Indian non-Marxist observer finds so puzzling in India's approach to foreign affairs.

The pattern of thought which has crystallized in India in this fashion was exemplified in a two-column article in the *National Herald* of Lucknow (January 29, 1957), a paper regarded as particularly close to Mr. Nehru's family. Under the title "The Economics of the Eisenhower Doctrine," the point is made that the doctrine and the passage of the Five-Power Resolution on Kashmir by the United Nations Security Council have behind them the same political and economic policy of the United States. "By raising the bogey of communism, as the Indian Prime Minister pointed out, American imperialism wants to fill the so-called vacuum created by the withdrawal of weaker imperialist powers." It is necessary, therefore, the writer continues, to understand the strategy of American imperialism in the postwar period. The Second World War created huge demands for the goods supplied by the United States. After having successfully subdued and impoverished Europe with the aid of the Marshall Plan—which had been devised for the exclusive purpose of getting rid of surplus products accumulated after the war—and after having reduced Europe to a military bastion serving American interests, the United States took on the peace-loving nations of East Asia, first by staging the Korean War and second by promising

[42] "What many people do not realize is that Nehru's ideas on most political, economic and social matters have been fixed and consistent for at least a generation" (*ibid.*, p. 136).

[43] Irving Kristol's review of *Conversations with Mr. Nehru* by Tibor Mende in *Encounter* (VII, No. 3, November 1956, pp. 76-78) contains the following succinct analysis: "When Mr. Nehru says that he approves of Communism 'as an ideal,' many a Western liberal could say the same thing in all good faith; but it would not, in fact, be 'the same thing' at all. For what Mr. Nehru intends to express by this commonplace is a fundamental hostility to the liberal capitalism of the West, both as an ideal and working system—a hostility that has its own specific roots deep in Indian attitudes. . . . It is clear that Mr. Nehru's ideal communism is very different from the Soviet ideal, which dreams with an American fervour of motor-cars and washing-machines. Nevertheless, it is easy to see how, paradoxically, he could be impressed by the very *failure* (in its own Western terms) of Russian Communism and offended by the very successes of American Capitalism" (p. 78).

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to defend Formosa against Communist China. When the United States realized that its power was still insufficient, it went all out in its imperialistic scheme to subdue "West Asia."[44] This is being attempted now through the Eisenhower Doctrine, which represents a new phase in American imperialism. With the contradictions between various imperialist nations now clearly apparent, the United States proceeds alone to realize its ultimate aim of world domination. The No. 1 enemy is the Soviet Union, to be sure; but enemy No. 2 is assuredly India, which has pursued an independent policy not to the liking of the United States. Now the American view on Kashmir, the *National Herald* continues, is only an extension of this approach to Asia. It became manifest first when Trygve Lie sent 36 observers to Kashmir, of whom 17 were Americans. These outposts of imperialism made it possible for the United States and her allies to entrench themselves firmly in Kashmir. The backing of Pakistan can thus be explained as a mere corollary of American ambitions in Asia. The primary conclusion to be drawn from these developments is that "American imperialism is not only anti-Soviet but anti-India as well. In fact, it is against all the nations that are struggling to be independent and prosperous."

The arguments here advanced were echoed in subsequent weeks in many other quarters. Indeed, the gist of the article became the leading motif in several speeches delivered by the Prime Minister during the election campaign.[45]

To conclude: the principal source of Indian thinking on the subject of foreign affairs is neither Hinduism, Buddhism, Gandhianism, the Western European tradition, nor a rational analysis of reality in terms of India's long-range national interest, but the complex biography of the Prime Minister. One does not have to go as far as one of Mr. Nehru's fiercest critics D. F. Karaka, when he writes that "Our attitude to the powers of the West has been conditioned by the personal complexes of Pandit Nehru," and "the translation of these complexes into action has become our foreign policy,"[46] in order to be impressed with the highly emotional content of Indian foreign policy, the omnipotent influence of the Prime Minister personally on the conduct of his country's foreign policy, and the immense popular support that is given to his enunciations on this subject.

[44] This term is used uniformly in India in order to denote the Asian character of the region known in the West as the Near East and the Middle East.

[45] See, e.g., an address in Ernakulam, Kerala, on February 24, 1957, which dealt with "the projection of the Baghdad Pact on the Kashmir issue"; and statements made by Mr. Nehru in the Lok Sabha on July 23, 1957, as reported in *The Statesman*, July 24, 1957.

[46] *Nehru, the Lotus Eater from Kashmir*, London, 1953, p. 20.

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Review Articles

THE STUDY OF TOTALITARIANISM

By WILLIAM EBENSTEIN

Carl J. Friedrich and Zbigniew K. Brzezinski, *Totalitarian Dictatorship and Autocracy*, Cambridge, Mass., Harvard University Press, 1956, 346 pp. $5.50.

THE general study of totalitarianism is of recent origin. In the 1920's, interest in Soviet Communism centered in the ideological issues of Marxism-Leninism, the economic aspects of anticapitalism, and the political aspects of dictatorship. In those remote days, only a very few observers (such as Winston Churchill) saw in Soviet Communism more than a single-country experiment, appropriate to a backward country like Russia, but unlikely to have a profound effect on the rest of the world. Similarly, Italian Fascism was viewed in the 1920's as a temporary development peculiar to Italy, rather than as the prototype of a world-wide system of thought and action challenging traditional liberal political and economic systems.

The first realization that totalitarianism was a more general problem for scholarly analysis and public policy came in the 1930's—more specifically, with the triumph of the Nazi Party in Germany in 1933. German political scientists and publicists frankly proclaimed that the totalitarian state (*der totale Staat*) was the highest form of political development, and the only one suitable for the German people. Shortly after Hitler's appointment as Chancellor of the Reich, arbitrary arrests by the secret police, torture and murder, and the setting-up of concentration camps showed the world that the Nazis meant business, and that they were not going to waste much time in translating totalitarian theory into practice. A few years later, in the middle 1930's, the mass purges in the Soviet Union together with the first reports on Soviet slave-labor camps hastened the realization that, despite certain differences, Nazism and Communism were fundamentally both totalitarian, and that this likeness was more important than the differences between the two. Finally, the German-Soviet pact of August 1939, as well as the policies of the Soviet Union from September 1939 to June 1941, gave rise to the popular phrase that Communism was but "red Fascism." The forced entry of the Soviet Union into the war on the side of the Western democracies following the German attack in June 1941 reawakened the older

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view that Fascism was totalitarian, whereas Communism was at least on the road to democracy, even if it still had a long way to go. It was fashionable to judge Fascism by what it was then doing, whereas Communism was viewed in the light of its professed long-term goals.

After World War II, interest in the phenomenon of totalitarianism was intensified by two developments: first, the documentary evidence of German behavior from 1933 to 1945, including new details about extermination camps, gas chambers, and other methods of genocide; and second, the start of the cold war early in 1947, coupled with a renewal of terror inside the Soviet Union. Developments in the Soviet Union produced a new awareness of totalitarianism as a general phenomenon, not confined to a particular country but rather a potential menace to liberal civilization everywhere.

While the literature on individual totalitarian systems or countries has been proliferating in the last four decades, it is remarkable how little scholarly analysis there has been of the general system of totalitarianism. In the opinion of this reviewer, three books stand out as creative contributions to a deeper understanding of totalitarianism: (1) Peter F. Drucker's *The End of Economic Man* (New York, 1939), which first showed that the traditional categories of *economics*, capitalist or socialist, could not be applied to totalitarian Fascism or Communism; (2) Erich Fromm's *Escape from Freedom* (New York, 1941), which is still the most original analysis of the *psychological* roots of totalitarianism; and (3) Hannah Arendt's *Origins of Totalitarianism* (New York, 1951), which is a major contribution to the *intellectual* background of totalitarianism. Interestingly enough, although totalitarianism manifests itself most dramatically and conspicuously in government and politics, the most successful studies of totalitarianism by political scientists have dealt with individual countries rather than with the general problem.

Totalitarian Dictatorship and Autocracy, by Professors Friedrich and Brzezinski, is an attempt to fill the gap. Despite the criticisms that follow, this book will be immensely useful to all students of totalitarianism and, more broadly, of comparative government and politics. The authors have skillfully amassed interesting materials from diverse sources, and their writing is generally forthright and to the point. The book is full of provocative ideas which force one to rethink the whole problem of totalitarianism.

The major aim of the book, the authors state in the Preface, is "to give a general, descriptive theory of a novel form of government" (p. vii). A little later, they state that their purpose is to delineate "the general model of totalitarian dictatorship and of the society which it has

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created" (*ibid.*). This latter formulation of their aim is much broader than the former, and much more likely to contribute to a general understanding of totalitarianism. It is to be regretted that the bulk of the book sticks to the narrower aim of dealing with totalitarianism as a "novel form of government," for it is one of the basic characteristics of totalitarianism that it encompasses, or seeks to encompass, all forms of human relations and institutions, political and nonpolitical. To concentrate, therefore, on the analysis of totalitarianism as a form of government, albeit novel (a point to be taken up below), is to miss the very core of totalitarianism, its substance: the limitlessness of goals (total subjection of the individual to the group at home and world domination abroad) and of means (ranging from monopolistic propaganda to the gas chamber). In the vast range of these tasks, government is only one of the instrumentalities, and it is perhaps for this reason that the most penetrating analyses of totalitarianism have so far come from psychologists, economists, and students of intellectual history.

The bibliographical notes at the end of the book reflect this selectiveness with respect to source materials: neither Erich Fromm's *Escape from Freedom* nor Peter F. Drucker's *End of Economic Man* are mentioned, much less appraised. To mention more recent works of a general nature, the authors make no attempt to come to grips with such a pioneering empirical work as *The Authoritarian Personality* (by T. W. Adorno and others, New York, 1950). Imperfect as this massive investigation is, it is nevertheless a milestone in the development of social science, and no student of totalitarianism can afford to by-pass it.

The considerable use of psychiatrists and psychologists by the American and British occupation armies in Germany after World War II, in connection with the screening of Germans of doubtful political background, was based on the reasoning that there are certain problems of totalitarianism and the totalitarian personality which cannot be fruitfully attacked without psychological and psychiatric analysis. Yet the published work of Dr. Henry V. Dicks in Britain and of Dr. David M. Levy in the United States, on various aspects of behavior under Nazi and Communist totalitarianism, is completely ignored in this volume, although in both cases the work was based on empirical research in connection with official assignments in the English and American occupation armies. As happens so often, this is another case of practice being ahead of theory: government officials apparently have recognized before professional political scientists the immense contribution which

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psychologists and psychiatrists can make to a fuller and more accurate understanding of totalitarianism.

Largely ignoring the economic literature on totalitarianism, the authors do better with sociological analysis, although such use is only occasional and fragmentary. Thus, there is interesting but too brief (8 pp.) treatment of the family as an "island of separateness," but very little attention is paid to informal social bonds and institutions under totalitarian conditions. From autobiographical and other sources relating to Nazism and Communism we know the important role played by such informal relations and ties; side by side with the officially planned systems of government and economy there are *de facto* networks of unplanned and unofficial (often even illegal) relations. But these receive only little attention from the authors of *Totalitarian Dictatorship and Autocracy*. This area of totalitarianism can be, and to some extent has been, most fruitfully attacked by sociological analysis. Yet there is little substantive evidence of such analysis in the book; the impact of recent and contemporary sociology is more often than not reflected in such linguistic innovations as "convictional" (p. 13), "totalitarianism systems" (p. 173), "structuring" (p. 295), and "situational" (p. 298), to mention but a few. This kind of language either pretends profundity where it does not exist, or it obscures depth and penetration where they are present.

Seeking to develop a general theory, or model, of totalitarian dictatorship, the authors suggest six criteria which together form its "pattern of interrelated traits" (p. 9): (1) an official, monopolistic ideology; (2) a single mass party typically led by one man, the Leader; (3) terroristic police control; (4) a monopoly of the communication of ideas; (5) a monopoly of weapons; and (6) a centrally directed economy. These six criteria of totalitarianism are correct—but are they enough? As stated by the authors, these criteria have two characteristics in common: the principle of monopoly, and the emphasis on institutional devices; the latter is clear in points 2 through 6, but even the first point (an official, monopolistic ideology) is essentially to be understood as a mechanism for ensuring compliance with dictatorial rule rather than as a body of rational doctrine.

It seems to this reviewer that the six criteria of totalitarianism as stated by the authors, emphasizing the two basic concepts of monopoly and governmental institution, ought to be enlarged by adding two more basic principles of totalitarianism: the principle of totality of goals and means, and the principle of world domination. The authors mention

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these two principles, but only in relation to the criterion of ideology. This treatment seems too narrow, because these two principles characterize totalitarianism in all its aspects of thought and action. The absence of the principle of totality is one key difference between totalitarianism and traditional authoritarianism as described in Hobbes' *Leviathan* and as practiced in most traditional dictatorships of Latin America or Asia. These authoritarian systems may show most or all of the six criteria suggested by the authors, but as long as the dictatorship is limited to defined areas of behavior (mostly in the field of government, but also in education and economics), it is not totalitarian, because it leaves some areas of human actions and relations to regulation by individual discretion or by custom and tradition.

The absence of imperialism aiming at world domination among the basic criteria in the authors' "syndrome" of totalitarianism (except for the reference to it under the first point) is even more serious. Full totalitarianism in terms of the authors' criteria has so far developed in only four modern states: Germany, Japan, Russia, and China—all four large and powerful states in a position to aim (although mistakenly) at world domination. From this viewpoint alone, it is doubtful whether Fascist Italy can fairly be described as totalitarian along with the four states mentioned. As long as Fascist Italy pursued an independent policy (roughly until 1938), most Italians, including the Fascist leaders, were realistic enough to know that Mussolini's talk of world-wide conquest belonged to the field of *opera buffa* rather than to statecraft and diplomacy. The change came in 1938, when Mussolini discovered that Italians were pure Aryans and almost Nordic, and he gradually turned Italy into Germany's fifth wheel. But even during World War II, after Italy entered the war on Germany's side, there was a world of difference between the operation of Italian Fascism in the territories which it occupied and the operation of Nazism in German-held areas. Many people were eager to spend large fortunes to get away from German-held into Italian-held territories during World War II. Life under Fascist authorities was dangerous and unpleasant, but it was still life. Under German authorities, life could be snuffed out by a Gestapo revolver or the gas chamber at a moment's notice. Full totalitarianism was experienced in Italy only in the years 1943-1945, and then only in Northern Italy, where Mussolini set up his Social Republic under German protection. But at that point Northern Italy was no more than one of the German-occupied areas of Europe, and it was German rule rather than Italian rule which was established.

The absence of the criterion of world conquest also explains why

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the Franco regime (hardly mentioned in the book) never became fully totalitarian. The authors' six criteria certainly applied to the early stages of the Franco regime, but no Spaniard could seriously believe that Spain's power was strong enough to indulge in vain dreams of world conquest. As a full military ally of Germany, Franco Spain might have become more totalitarian, but then Spain would have been a virtual dependency of Germany, as happened in the case of Italy. But Franco was more realistic than Mussolini, and his bet was on the defeat of the Berlin-Rome-Tokyo Axis. He therefore refused to become a military ally of Germany, and produced instead the meager substitute of *Hispanidad*, or the leadership of the Spanish-speaking world by Spain. But even the most fervent proponents of *Hispanidad* never cherished the illusion that Spain could impose its will on the Spanish-American countries by force of arms. Reduced to a pious cultural aim, *Hispanidad* (similar to the equally inoffensive sentiment of Pan-Americanism in the United States) could never serve as an aim that would be realistic enough to demand a totalitarian society. Spain's hope of imperialistic expansion was completely shattered by the defeat of the Axis in World War II; the Franco regime still retained the six criteria suggested by Friedrich and Brzezinski, but became less and less totalitarian. While Spain today is far from being a liberal democracy (and does not claim to be one), she has greatly mellowed in the last twelve years, and now fits the description of authoritarianism better than that of totalitarianism.

By contrast, Peronism came much closer to full Fascist totalitarianism, although Perón maintained more appearances of democracy, such as the multi-party system. Whereas Franco never harbored illusions of widespread conquest, Perón nurtured ambitious plans for the domination of South America, beginning with smaller states like Bolivia, Uruguay, Peru, and Chile, and culminating perhaps with hegemony over Brazil. As a result, Peronism became more totalitarian as time went on, dominating not only the sphere of government but also labor, education, and the economy, and finally attempting to rule the Roman Catholic Church. All these progressive steps of domestic totalitarianism were paralleled by a build-up of the armed forces, including the attempted development of atomic resources, all of which seemed excessive for purely defensive purposes.

The above considerations also explain why small states cannot be fully totalitarian as long as they are independent. To take Hungary as an example: in the years between World Wars I and II, Hungary was governed by an oligarchy of authoritarian rulers, typified by Horthy.

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Even after she joined with Germany in World War II, she was still a haven of refuge for many persecuted persons from either Russia or Germany. It was only after German troops occupied Hungary in 1944 that she became a fully totalitarian dictatorship. But at that time Hungary was hardly an independent country, being in effect no more than a province of Nazi Germany. When Hungary became Communized after World War II, her totalitarian system was largely the result of the presence of the Red Army on Hungarian soil. It was interesting in this context that during the Hungarian Revolution, Premier Imre Nagy, a "national Communist," coupled his announcement of the withdrawal of Hungary from the Warsaw Pact with the announcement of more liberal policies in the fields of government and economics, and in the intellectual life of the nation. As soon as the imperialistic tie with the Soviet Union was gone, even Communists realized that a small country like Hungary could not defend totalitarianism for purely domestic consumption.

The cases of Yugoslavia and Poland illustrate the same point. When Tito broke with the Kremlin in 1948, his change of orientation in foreign policy quickly and inevitably produced a considerable liberalization of his regime. Although the six criteria are still present in Titoism today, it is a moot question whether it is still totalitarian, or whether authoritarianism would not be a more correct description. Standing between East and West, and seeking to defend the independence of Yugoslavia against imperialist aggression, Tito is in a position to justify many of the harsh features of his regime as the inevitable price of a "Government of National Defense." Should he decide tomorrow (an unlikely hypothesis) to join up again with Soviet imperialism, it is almost certain that such a reorientation in foreign policy would entail a return to domestic totalitarianism.

Similarly, when Poland broke with Moscow in 1956 under the leadership of the national Communist Gomulka, a tremendous wave of liberalization swept the country. Those who wanted to go too far in this process of liberalization were reminded by Polish leaders that Poland's neighbors were not "Australian shepherds." If the Catholic Church under the leadership of Cardinal Wyszinski is openly and actively supporting the Gomulka regime, it does so because it realizes that authoritarianism under native Polish Communism is preferable to totalitarianism under Polish leadership that is but an extension of Moscow.

The criterion of size and power can also be used in an analysis of the potential as well as the actuality of totalitarianism. Thus, a political movement led by a Hitler of tomorrow might be marked by all six

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criteria, but the movement might still be fundamentally different from Nazism—provided the Germans continue to hold their present belief that Germany cannot vie for world supremacy in competition with superpowers like the United States or the Soviet Union. German ideology and technology underlying Nazism may long persist: but as long as the German people remain convinced that world empire is realistically out of the question, any relapse they may someday undergo will be into some form of authoritarianism, not totalitarianism.

If modern totalitarianism is historically tied to a few specific large states powerful enough to aim at world domination, the question arises whether it is possible to construct a general theory of totalitarianism, as we can in the case of democracy or authoritarianism, without regard to the issue of size and power. Moreover, it has been argued that we live in an age of a few superpowers, in which the number of Great Powers is constantly contracting as compared, say, with the nineteenth century. If this is true, and the present reviewer believes it is, then the number of possible totalitarian states in the future is likely to contract rather than to expand. By contrast, the authors of *Totalitarian Dictatorship and Autocracy* express the view that (1) "it seems most likely that the totalitarian dictatorships will continue to become more total, even though the rate of intensification may slow down" (p. 300), and (2) that further portions of mankind, not subjected to it now, will in the future be subjected to totalitarianism (p. 303).

This outlook for the future may very well be proved by events, but there is at least good reason to doubt such a development. One type of totalitarianism—Nazism—has been knocked out of existence, and there is little chance in the foreseeable future that any major world power will embrace it. As to Communism, there has been a tremendous expansion after World War II in China and Eastern Europe. Yet the events in Yugoslavia, Poland, and Hungary, the anti-Stalin speech of Khrushchev in February 1956, the rise of "freedom writers" in the Soviet Union, Mao's invitation to let a hundred flowers blossom in the garden of Marxism-Leninism—all these are indications that Communist totalitarianism is on the defensive, both internally and externally. This does not mean that the mild thaw of the last few years will necessarily continue forever, but most students of Communist totalitarianism seriously doubt whether a return to the more complete kind of Stalinist totalitarianism will occur in the Communist states.

Another main contention of Professors Friedrich and Brzezinski is that totalitarianism is "historically unique and *sui generis*" (p. 5). Others have argued in the same way, generally on the ground that

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modern totalitarianism has been more brutal than any previously known form of government and society. More specifically, the extermination of six million Jews by Germany is often cited as an act of national policy without precedent in recorded history. Yet this is not the line of reasoning of the two authors. Their argument with respect to the uniqueness of totalitarianism rests on the contention that it is a logical extension of some traits of modern industrial society. Specifically, they claim that points 3 through 6 of their criteria (terroristic police control, monopoly control of the means of communication, monopoly of weapons, and the centrally directed economy) are "technologically conditioned" (p. 11).

The emphasis on modern technology as the key characteristic of totalitarianism, the quality which makes it historically unique, is not novel. Nor is it convincing. In the first place, of the four major cases of modern totalitarianism—Germany, Japan, Russia, China—only the first two were technologically advanced when they embraced totalitarianism as a way of life and form of government. But it is questionable whether even in Germany and Japan totalitarianism was a "logical exaggeration" of technology and capitalism; rather, it may have represented—in both cases—a violent reaction of precapitalist forces and traditions, such as militarism, racism, and irrationalism, to the rational and liberal values of capitalist civilization.

As Thorstein Veblen pointed out long ago, in his *Imperial Germany and the Industrial Revolution* (New York, 1915), capitalism, science, and technology had entirely different meanings in Germany and Japan from those in Britain or the United States, and he made then the prophetic observation that the lineup in World War I (in which Germany and Japan were enemies) was historically wrong, and that they ought to be fighting on the same side. What Veblen saw more clearly than Professors Friedrich and Brzezinski is that science and technology can be the instrumentalities of both totalitarian and liberal societies, and that both totalitarian and liberal tendencies in a society can be intensified and accelerated by modern science and technology.

The intimate tie between democracy and capitalist industrialism was clearly shown by de Tocqueville in his *Democracy in America*, long before others saw it. The mistake of later historians and students of politics was to think that the link between science and democracy was inevitable, and Veblen provided the lasting corrective to that mistaken view. Yet if it cannot be argued that liberal democracy has a necessary link with science and technology, it also cannot be argued that totalitarianism could have arisen only in the context of modern technology.

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If this line of reasoning applies only to a limited extent to Germany and Japan, it applies even less to Russia and China. In both cases, totalitarianism did not arise in the context of modern technology, nor was it an exaggeration of tendencies inherent in technology, for the simple reason that there was little technology to distort or exaggerate. In the case of Russia and China (as perhaps of India tomorrow), it would be more accurate to say that technology is developing in the context of totalitarianism, that it is one of the major objectives of totalitarianism, rather than the other way around.

The argument of technology with respect to the unique character of totalitarianism is also emphasized by Professors Friedrich and Brzezinski, as by many other students, on the ground that the modern totalitarian state can enforce with present-day weapons and media of thought-control a degree of compliance which was not available to earlier autocratic states at a lower level of technological development. Specifically, the authors devote an entire chapter to the military in connection with this question (pp. 273-81). The authors arrive at the conclusion that it is very doubtful that a major crisis in the totalitarian control of the military will occur, "as long as the totalitarian system is not itself subjected to a major challenge from the outside" (p. 281). Yet in the Hungarian Revolution of 1956, the vast majority of the Hungarian armed forces and police went over to the revolutionaries at a very early stage in the uprising. Although this took place after the present book was written, it does not fit into the general theory of totalitarianism as proposed by Professors Friedrich and Brzezinski. In Peronist Argentina the totalitarian system of Juan Perón was overthrown by the uprising of the armed forces in 1955. Perón was an intensive student and practitioner of totalitarianism, and he knew full well that control of the armed forces was indispensable to the stability of his regime. Yet, as events proved, he failed. In the Soviet Union itself, it is at least conceivable that the present trend—despite Zhukov's purge last October—will eventually lead to open rule by the military. Despite all the purges and mechanisms of control, the Soviet armed forces have never been fully subjugated to complete control by party and government, and the day may come when the leadership of the Soviet armed forces will no longer be satisfied with being a mere front for the party leaders.

What about the more general argument that modern totalitarianism is unique because it disposes of technological means of coercion superior to anything known to tyrannies in the past? Although this argument is widely used, it is not altogether convincing. What the advocates of

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this conception of totalitarianism overlook is that modern technology is not an exclusive benefit to the rulers in a totalitarian system, but is also available to its subjects. If the secret police of a totalitarian state can do its work more effectively by using the telephone, radio, cars, and airplanes, opponents of such a regime can, within certain limitations, use the same instruments for their own purposes. If a small police force can keep a large number of people under effective control, it is also true that a small group of resisters putting out underground papers or maintaining secret radio transmitters or engaging in industrial sabotage can also engage a large number of police officials, a number which may be out of all proportion to the number of the resisters who are engaged in such activities.

Moreover, the technological instruments of totalitarian control are often double-edged: the person who is encouraged to have a radio set so as to be subjected more effectively to government propaganda may use the same set to listen to foreign broadcasts, and the person who is made literate so as to be able to read Stalin's works or Khrushchev's speeches may instead read Dostoevsky or *Not by Bread Alone*. In other words, if older forms of totalitarianism did not dispose of modern means of technological control, they did not require so much because their subjects were at the same level of technological disadvantage.

This double-edged nature of modern means of control is evidenced by the fact that in every uprising against modern totalitarianism, as happened, for example, in Hungary in 1956, the government radio station, the newspapers, and the prisons are among the first objectives of the rebels. Just as the possession of these three key media of control is of crucial importance to a totalitarian government, it is of equal importance to the rebels. Once in possession of these three elements of control, the rebels against a totalitarian system find it much easier to finish their job than would have been true in earlier ages.

Another main thesis of *Totalitarian Dictatorship and Autocracy* is that Communist and Fascist dictatorships are basically alike. Few will quarrel with this contention, sensed by intuitive public opinion even before scholars adopted it, and essentially based on the old adage that deeds count more than words. The fact that Communism emphasizes class whereas Fascism and Nazism stress race and empire is less important than the frequently identical behavior of those systems, Yet, if behavior is the criterion that makes us subsume Fascism and Communism under the more general category of totalitarianism, then it is doubtful whether it is very useful to draw the line of demarcation

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between Fascist and Communist systems of totalitarianism for purposes of theoretical analysis, as is done by the two authors.

If behavior is more important in the classification of a specific totalitarian system than its own name-tag, then classification ought to be based on the principle of behavior. Thus, we might get one group of political systems, both Fascist and Communist, which more nearly approximate the relatively perfect realization of totalitarianism (as in the case of Nazi Germany and Communist Russia); or another group —at the other end of the spectrum—which includes political systems, both Fascist and Communist, in which the totalitarian idea is much less realized, and which come closer to authoritarianism (such as Fascism in Italy, Falangism in Spain, national Communism in Yugoslavia and Poland).

Professors Friedrich and Brzezinski do not take up the possibility of such a classificatory scheme, for two reasons. First, their attention is almost wholly centered on Fascist Italy, Nazi Germany, and Communist Russia, much too limited a sample for a more realistic analysis of totalitarianism. Secondly, their conventional emphasis on Fascism and Communism as the two main types of totalitarianism prevents them from seeing that the theoretical model of totalitarianism contains within itself a large array of possible (and actual) totalitarian systems, to be classified according to the degree to which they have realized the basic principles of totalitarianism rather than according to the labels of Fascism or Communism.

The scheme of classification suggested here is not only more useful in providing more accurate analytical tools for the purpose of distinguishing different totalitarian systems, but provides also the means of classifying the different stages of any one system in the course of its evolution. Under this scheme of classification, the Soviet regime of the civil war might fall into one group, that of the early 1920's until Lenin's death into another, that of the middle and late 1930's into still another, and so on.

The authors seem to realize the difficulties of the Fascism-Communism dichotomy in dealing with the case of Fascist Italy, because in several places they raise the question "whether Italy may legitimately be included as an example of a totalitarian system" (p. 277). They decide in the affirmative, and rightly, but in doing so they make Fascist Italy appear more totalitarian than she was, fitting her into the narrow and rigid category of Fascism-Nazism as one of the two major subgroups of totalitarianism rather than evaluating Italian Fascism in

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terms of the perfection or imperfection of its totalitarian practice. Thus, the authors write that the penalty of *confino* (confinement) was the "Italian version of protective custody," and that it "took the place of the Nazis' concentration camps" (p. 145). Under the penalty of *confino*, a person was either banished to a small town in Southern Italy (as happened to Carlo Levi) or to one of the little islands in the Tyrrhenian Sea. These "internal exiles" had to report regularly to the police, who closely supervised their activities. But their main complaint, as is evident from many accounts of those who experienced this punishment, was boredom and loneliness—not systematic sadism and deliberate murder as was customary in German "protective custody" and concentration camps.

Far from agreeing with the statement that *confino* took the place of Nazi concentration camps, this reviewer would argue that the difference between the enjoyment of liberty of movement in a democratic society and the loss of such liberty under *confino* was less than the difference between the relative security of *confino* and the planned tortures and killings in Nazi concentration camps. While Italian Fascism was ideologically more closely related to German Nazism than to any other brand of totalitarianism, in its behavior it was much closer to a Communist system like Yugoslavia and Poland today than to Nazi Germany.

The all-important problem of resistance to totalitarianism receives too meager treatment in *Totalitarian Dictatorship and Autocracy* (pp. 281-89). No aspect of totalitarianism has been more neglected than this; the lack of scholarly analysis of the problem is paralleled in the American government by an absence of any policy whenever the unexpected has happened, as during the East German uprising in June 1953 and, on a historically much more decisive scale, in Hungary during the months of October and November 1956. Professors Friedrich and Brzezinski unequivocally express the conventional view that resistance to totalitarian dictatorship is "hopeless" (p. 283) or "wellnigh hopeless" (p. 287). Their book was in press when the uprising in Poznan occurred in June 1956, and its suppression evokes from the authors the following conclusion: "This again illustrates both the hopelessness and the tenacity of anti-Communist resistance among the masses" (p. 287). The validity of this comment was considerably weakened by the events in Poland in October 1956 (when the book was probably already printed). The successful Polish Revolution was the direct result of the Poznan uprising, and it is a debatable question to what extent the present regime can still be called totalitarian. A Com-

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munist regime that allows the publication of Koestler's *Darkness at Noon* and Orwell's *1984*, the two most powerful books against Communist totalitarianism, has traveled a long way from totalitarianism as defined by the six criteria of the two authors. Moreover, many observers of the present Polish regime hold that it is based on the equal partnership of the Roman Catholic Church, symbolically represented by Cardinal Wyszinski, and of "national Communism," typified by Gomulka. Is a 50 per cent totalitarian system still totalitarian?

Totalitarian Dictatorship and Autocracy also missed the Hungarian Revolution by only a few months. Here we have the first complete case of successful popular resistance to totalitarian dictatorship. The subsequent Russian war against and occupation of Hungary do not minimize the fact that internal resistance against totalitarian dictatorship is possible, despite its being considered "impossible" or "well-nigh impossible" by the two authors. Unlike Professors Friedrich and Brzezinski, Nikita Khrushchev himself considers large-scale resistance movements quite possible in the captive nations: in his interview with James Reston he openly declared that "we are always ready to render timely assistance to a fraternal socialist state,"[1] thus conceding that, in his view at least, the Hungarian resistance to Communist totalitarianism may very well be repeated elsewhere.

Professors Friedrich and Brzezinski admit that resistance to totalitarianism is perhaps possible under one specific set of circumstances—occupation by a foreign enemy—especially when such resistance is "supported vigorously from the outside" (p. 283); and they cite the cases of France, Italy, and Poland for purposes of illustration. The most successful case of such resistance, Tito's Partisan movement, is not mentioned in this context. Moreover, Titoist resistance was strong before it was given outside support; in fact, the fateful decision to give it Anglo-American support was made precisely on the ground that it was strong, whereas the Chetniks were weak. Similarly, Polish resistance started immediately with the German occupation in the fall of 1939, long before there was any outside support. To a lesser extent than in the case of Poland and Yugoslavia, resistance movements in France and Italy (as in the other German-occupied territories in Europe) developed before there was any outside support, in fact, before there was a chance of outside support. By contrast, the resistance movement in Nazi Germany was relatively the weakest in Europe. This fact is neither stated nor explained by the authors, and yet it was of crucial consequence in the conduct of the war and the settlement after the war.

[1] *New York Times*, October 12, 1957.

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Whatever the motivation of the resisters in other countries, they at least proved that resistance to totalitarianism is possible—provided there are enough people who want to resist. This was also proved in the Polish and Hungarian Revolutions of 1956. Where this will was weak and confined to isolated individuals, however, as in Nazi Germany, resistance did not have much of a chance. In this crucial aspect of totalitarianism, as in some others, the analytical usefulness of the authors' six criteria is not great enough. These criteria emphasize the institutional and ideological framework of totalitarian dictatorship, but do not sufficiently take into account the historical background, the strength of the tradition of freedom and constitutionalism, and the "national personality" in determining how effective totalitarian rule can be in one country as compared with another.

The Hungarian Revolution will cause a revaluation of our thinking on totalitarianism; much of what has hitherto been taken for granted, and not only with respect to the problem of resistance, will be modified or thrown overboard in the light of the Hungarian and Polish Revolutions. *Totalitarian Dictatorship and Autocracy* will occupy an important place in the study of totalitarianism for some time, because it is a useful summary of the conventional view of totalitarianism in the phase of scholarly analysis (and, let us hope, governmental policy) that definitively ended with the Hungarian Revolution. That event inaugurates a new period in the study of totalitarianism, just as the French Revolution did in the writing on democracy.

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THE PARTY IN MASS SOCIETY

By OTTO KIRCHHEIMER

Sigmund Neumann, ed., *Modern Political Parties: Approaches to Comparative Politics*, Chicago, University of Chicago Press, 1956, 460 pp. $7.50.

G. Ciselet, *et al., Aspects du Régime parlementaire belge*, Brussels, Les Editions de la Librairie Encyclopédique, 1956, 148 pp. 140 francs belges.

Le Controle parlementaire de l'Action gouvernementale: Colloque du 17 mars 1956, Brussels, Les Editions de la Librairie Encyclopédique, 1957, 144 pp. 120 francs belges.

Joachim Schultz, *Der Funktionär in der Einheitspartei: Kaderpolitik und Bürokratisierung in der SED* (Schriften des Instituts für Politische Wissenschaft, Vol. 8), Stuttgart und Düsseldorf, Ring Verlag, 1956, 283 pp. DM 21.50.

COMPARATIVE politics as a discipline has been content too long with mere juxtapositions of isolated governmental systems. This critical view is shared by numerous students who, either individually or in teams, have applied considerable energy and resources in recent years to the drawing of blueprints for a truly comparative approach. To map out blueprints is one thing, and to put them into effect another; the latter—to judge from a recent symposium, *Modern Political Parties*, explicitly subtitled *Approaches to Comparative Politics*—turns out to be a more difficult enterprise. Aiming at outlining a comparative framework, Professor Neumann and his highly qualified collaborators have presented findings on a great number of parties on both sides of our contemporary ideological and institutional curtain. Their survey, partly brilliant and inspiring, and partly disappointingly sketchy, follows throughout the traditional technique of presentation by countries or groups of countries. The reader is reminded of a *roman-fleuve* when watching the seemingly unending parade of problem categories and ideological or institutional relationships which, according to Professor Neumann's interesting concluding chapter, must be elucidated if party ways and operations are to be adequately understood. However, a *roman-fleuve*, even though it may have its advantages as a model, easily becomes an end in itself if it is not drawn to an intellectual center of gravity. The absence of such a center of gravity regrettably impairs the usefulness of Professor Neumann's summation. What remains is a comprehensive catalog of all applicable nomenclatures, with ample warnings against less fruitful approaches, and an account of all combinations of factors effectively determining integration or disintegration

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of party systems. Surely, some of the outlined correlations must be more meaningful than others for a typology of parties in the modern era. Should it not be possible to arrive at a modicum of generalizations of the parties' role without instantly subjecting such judgments to qualifications or synchronizing discordant and asynchronous factual situations?

To some extent the job has been simplified, since by now most observers agree that the political systems of preindustrial society must be clearly distinguished from those of our own industrialized world. Reflecting two different stages of social and economic development, this points to rather obvious conclusions. More complex problems arise from the distinction between totalitarian and democratic systems, which Neumann—before entering the inevitable qualification—terms "the fundamental cleavage of our time" (p. 403). But then again, some of the totalitarian "political cultures"—to borrow a concept coined by Almond[1] and meant to encompass both action and ideology—are characteristic of societies in transition from an earlier preindustrial stage to a fully developed industrial civilization. There ancient practices of despotism blend with paraphernalia of systems based on present-day patterns of technology and communication. Other totalitarian "political cultures" display, in varying degrees, traits of industrial society; the latter's impact on both material civilization and the mind of the twentieth-century individual has had an equal share in the rise of the two undeniably modern political systems: mass democracy and totalitarianism. Segregated in academic routine, both would more profitably be studied as interlinked manifestations of mass society, as Neumann at least sets out to do.

Everybody agrees that the role of the state has undergone considerable change. This crucial fact calls, nonetheless, for added emphasis. While it is true that democratic mass society may offer the individual vastly enhanced means of juridical defense, the functions of the democratic system of government—in accordance with the people's radically changed expectations—have become almost as all-embracing as those of the totalitarian state. The democratic government also taxes, defends, educates, and plans; it sets up the framework of man's material and—often beyond the call of duty—his intellectual existence. Cumulation of functions has an inevitable counterpart in centralized decision-making; deliberative assemblies are reduced to ill-defined positions, exposed to and threatened by the need for unifying administrative and political

[1] Gabriel A. Almond, "Comparative Political Systems," *Journal of Politics*, XVIII, No. 3 (August 1956), pp. 396 ff.

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action, even where concentration of authority is not hastened by specific ideological preferences or hostilities.

Though the pace is not uniform, this development is not restricted to countries, like Italy or France, which have been affected by the clash of totalitarian and democratic structures. A recent instructive Belgian discussion by administrators, political practitioners, and university professors, *Aspects du Régime parlementaire belge*, emphasized the workings of phenomena detrimental to effective legislative action and budgetary controls; this "gliding," which so often turns parliamentary participation in the establishment of the budget into a "mere formality," was described as all-pervasive. Interaction of government and parties, which brings together decision-makers and engineers of consensus, can dispense with the need for the intercession of parliament. French experience may even lead to the conclusion that party control of political decisions is weakened rather than strengthened when decision-making is filtered through the agency of parliamentary bodies.

This tends to bear out Neumann's thesis that the party in modern mass democracy has been taking over an ever-increasing area of commitments and responsibilities. Regrettably, however, Neumann fails to analyze the major patterns of government-party interactions. With respect to both party structures and party-government interplay, there is a substantial difference between parties that initiate, purvey, and receive services and obligations while government agencies are confined to purely technical functions, and parties that merely strive to impose alternative claims on governmental bodies that retain an appreciable range of discretion in the adjudication and balancing of conflicting claims. At this point the ways of mass democracy diverge from those of totalitarian systems. The totalitarian party composes and adjudicates, or, if need be, suppresses conflicting claims according to program and goals; once a decision is rendered, an all-out effort will be made to get administrative implementation. Failure to implement decisions may on occasion be merely deplored as the result of untoward circumstances or "objective" weaknesses, but it will be punished as treason and/or cause a reversal of policy whenever it assumes the proportions of concerted action on the part of the governed. Conversely, mass democracy separates the political formula—outcome of party competition and pressure—from the executive decision. The parties lay siege to the government, but in the process of execution the government and its corps of technicians and administrators—*pouvoir minoritaire*, in Maurice Hauriou's parlance—filter and neutralize the political formula, making it objective. In the event of any discrepancy between the actual result and the

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parties' notion of what is desirable, the parties remain free to renew their assault and call out their shock troops—organized interests—or, less frequently and less vigorously, their foot soldiers—the distant electorate.

Will the administration give in, and, if so, at what point? There still remains here an area of uncertainty and choice. Moreover, there is the often emphasized fact of interparty competition, be it the traditional clash of pro-government and opposition forces or a tug-of-war inside a coalition of two or more parties. These facts preserve a certain distance between party and government, and prevent their freedom-obliterating amalgamation. The role of democratic mass parties as purveyors of material services for their supporters has dwindled considerably, and they no longer perform a paramount part as custodians of ideological traditions.[2] Instead, they—among others—register claims and press or arrange for priorities. It would be erroneous, though, to view them as automatic transmission-belts between popular will and governmental action; democratic mass parties as a rule retain some freedom of choice, although its extent varies from case to case. This freedom is bound to be the greater, the more variegated the gamut of group interests and the weaker the citizens' penchant for political as distinct from social action within the framework of modern mass society's welfare state.

Political signals emanating from the "people," spellbound by mass-media persuasion that is not primarily of political origin, are largely inconclusive and frequently inchoate. The voter may cease to connect the casting of his ballot with any political action. One then encounters the "protest party," which symbolizes attitudes of the hour rather than patterns of action to be realized in a foreseeable future, or the most extreme case of an "integration party," which espouses a given political system to the point of shedding its identity as an autonomous grouping of men pursuing specific objectives. Neither is a sufficient vehicle of democratic self-determination; both the uncontrollable influence of outstanding individuals and the danger zone of relationships between political leadership and the military, which Professor Neumann sees as the structural hazards of totalitarian societies, involve generalized questions of equilibrium in democratic mass societies as well. Structural hazards in the democratic system come to light whenever and wherever the political parties—this unique link between the mass society and its executive and administrative staffs—lose vitality and sense of mission. To perform its part a political party needs an atmosphere

[2] See my remarks in "The Waning of Opposition in Parliamentary Regimes," *Social Research*, XXIV, No. 2 (Summer 1957), p. 127.

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of constant approval and/or indignation from the ranks no less than it needs a dynamic contest with the bureaucracy and the military for mutual recognition and acceptance. It will succumb to paralysis when doomed to deal continually with an unresponsive clientele and over-ambitious administrative and army personnel.

The endurance potential of a mass party finds its expression in the degree of spontaneity that pervades the relationship between followers and "apparatus." For the totalitarian mass party the gulf opens with the seizure of governmental power, when the visions of its combative days are banished from the workaday reality of governing. Prior to the actual exercise of governmental power, spontaneity is an inestimable asset, even when carefully bridled for the sake of tactical maneuverability. Once the party is enthroned, spontaneity becomes ambiguous. Thorough bureaucratization of the party machine, as described by Joachim Schultz, in *Der Funktionär in der Einheitspartei*, in respect of East Germany's governing "Socialist Unity Party," is essential for enforcing conformity in thought processes and adjustment to omnipresent controls. Estrangement from the people is manifestly common to all ruling Communist parties, if not necessarily to all of their former Fascist rivals. Under these conditions, rigid surveillance of the party rank and file may well be the basic condition of survival in a thoroughly hostile environment. On the other hand, spontaneity of action in the party's relation with the masses is urged. It is a fixed element of official ideology; it permeates the party's stereotyped jargon. The party cannot renounce it as a yardstick for the officeholder's performance, even though it may be fully aware of the degree of self-deception involved.

If spontaneity is doomed as an attribute of a totalitarian revolutionary party in power, what about the democratic mass party? Can it discard spontaneity, and rely solely on rational appraisal of interests and support from institutional backers, the services of the machine, and the election-day performance of the voter? Can politics be taken, in the manner suggested by Tingsten from Swedish experience,[8] as a kind of applied statistics, where elections serve as a census and political preferences are recorded with that same air of indifferent compliance with which one would state age, occupation, or civil status? If politics were nothing but the rational ordering of calculable claims of a limited number of participants of fairly well-known dispositions and propensities, and if the rule of nonsubstitutability of functions formulated by Almond for the Anglo-American political culture amounted to more

[8] H. Tingsten, "Stability and Vitality in Swedish Democracy," *Political Quarterly*, XXVI, No. 2 (April-June 1955), pp. 146-58.

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than an interesting though rather problematic hypothesis, spontaneity would indeed have but a tiny place in the political arena. But so long as there is strife between societies and so long as the effects of such strife limit the chance of a rational ordering of domestic concerns, democratic mass parties are confronted with the crucial choice either of abdicating in the face of perilous alternatives or of mustering spontaneous, possibly unrewarded, support sufficient for the attainment of specific objectives emerging from intended, organized, and continuously sustained political action.

Against this background, what are the prospects of comparative studies? Specific institutional problems—what the comparative blueprinters, following Robert K. Merton's terminology, are apt to call narrow-gauge problems—such as election procedures or the potentialities of courts in regard to safeguarding freedom or federalism, involve too many variables attendant on national structures and specific situations to permit conclusive inferences from comparative inquiry. George Lavau illustrated the point in his convincing criticism[4] of Maurice Duverger's endeavor[5] to link various national peculiarities in political organization and action to differences in electoral systems; and any author grappling with Duverger's systematization in the light of his own national political configuration will add his basket of qualifications and exceptions, underscoring the intellectual challenge of Duverger's approach but also the scarcity of results it may yield.

Outside the pale of traditional institutional devices there is the world of mass communication, with the action of political parties a substantial component. Here the needs and drives of society constantly blaze new trails that are only to a minor extent within the reach of regulatory action. While the remnants of political internationals languish, modern industrial society, this terrible *simplificateur*, creates global institutions for both expressing and manipulating mass aspirations. Is this the beginning or the end of comparative study? A great deal remains to be learned at the international level about preindustrial societies. In confronting the wide range of political formulae offered by more modern societies, it is likely that, remnants of former societal structures notwithstanding, we shall be dealing increasingly with a variety of manifestations of *one* societal structure. This would call for a critical analysis of what this society requires to satisfy the vital needs of the inhabitants, and—a quite different story—how such requirements are met in its everyday functioning.

[4] G. E. Lavau, *Partis politiques et Réalités sociales*, Cahiers de la Fondation Nationale des Sciences Politiques, No. 38, Paris, 1953.

[5] Maurice Duverger, *Les Partis politiques*, Paris, 1951.

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MONETARY RECONSTRUCTION IN WESTERN EUROPE

By G. H. MATTERSDORFF

Robert Triffin, *Europe and the Money Muddle*, New Haven, Conn., Yale University Press, 1957, 351 pp. $5.00.

ALTHOUGH there may be some who still think of Robert Triffin only as the author of *Monopolistic Competition and General Equilibrium Theory*, he is perhaps better known now for having devoted the last ten years to the task of solving international monetary problems, especially as they have affected the relationship of the Western European countries to each other and to the United States. First as a staff member of the International Monetary Fund in Washington, then as its observer at the OEEC in Paris, as adviser to ECA's Special Representative in Europe, and finally as Alternate United States Delegate to the EPU Managing Board, Triffin has been more closely and intensively concerned with the practical problems of international economic cooperation than almost anyone else, in this country or overseas.

Moreover, as any of his colleagues in these organizations will testify, Triffin has interested himself both in the theoretical and in the technical aspects of the problem. The files abound with "Triffin Proposals"—invariably highly ingenious plans and devices for overcoming particular difficulties in a technically as well as diplomatically acceptable manner. Such activity requires not only an inventive mind, but a thorough understanding of the situation, and of the many divergent views which must be reconciled before an international institution can be established and operated successfully. It is this knowledge which qualifies Triffin particularly to write a book on international—and especially European—economic cooperation between 1947 and 1956. This book has now appeared, after long and intensive preparation while the author was Professor of Economics at Yale.

I

A review of this book is made unusually difficult by the fact that Triffin chose to provide, "by way of introduction," his own critique, in which he attempts to anticipate the arguments of his reviewers, and in fact credits those arguments with considerable validity. This introduction, as well as the author's annotations to the table of contents (which

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seem to urge the reader—especially the critical one—to skip the body of almost every chapter, and in some cases even its summary and conclusion), is intended to be light and humorous. This attempt struck me, however, as a mistake—for two reasons.

In the first place, the book itself is not light reading, nor is it funny at all. It is a sober, profound discussion of some pressing economic questions, and it does not shirk the description of technical complexities that may on occasion go far beyond easy understanding even by readers already familiar with the subject matter. For example, the manner of settling monthly deficits in EPU is variously discussed in terms of "existing resources," "initial grants" (or "initial credits"), quotas, "special credits," *rallonges*, "special resources," and full gold and dollar settlements. This is a bewildering array of technical expressions which must apparently all be used for the sake of clear and accurate description, since each of them means something different. Yet, because they are not crucial to an understanding of the basic principles of the EPU, they are explained only very briefly.

Secondly, and more importantly, it is rather unfortunate that Triffin's critique of his own arguments, which was obviously written last, should have been presented as the introduction, so that the reader reaches it first. This arrangement robs his (undoubtedly) real views, put forward with some passion and a good deal of authority in the body of the book, of much of their impact. Both the tone and the effect of the introductory remarks, therefore, are misleading, and this reader for one would counsel others to read them last, and instead turn immediately to Chapter 1.

II

In fact, perhaps one ought to turn first to Chapter 3, which concerns itself with the initial postwar schemes for international monetary cooperation (Keynes' Clearing Union and the International Monetary Fund) and leads into an examination of later alternative plans and subsequent improvements thereon. Almost simultaneously with the establishment of the IMF came the Anglo-American Financial Agreement of 1946, which attempted to fill the gap left by the absence of any provisions in the IMF statutes for the "transitional period." When this also failed to achieve the desired equilibrium in the pattern of international payments, it was followed by a series of efforts on the part of the members of the OEEC to arrive at a sound and generally beneficial system of trade and payments, at least among themselves, in the hope of thereby accelerating the progress toward more nearly universal

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balance. These chapters are the heart of the book, and they present several ideas which come as useful reminders of the realities of international economic cooperation.

One conclusion is that there is nothing automatic or inevitable about the establishment of an efficient system for carrying out international trade and payments. The gold standard remains a model which assumes (in a manner reminiscent of the economic model based on perfect competition) that each member of the system willingly and inexorably adjusts to the impact of outside influences over which he does not have—and does not want to exercise—any control whatever. Surely this is not a realistic description of either the powers or the objectives of a fair number of national economies in the modern world, if indeed it ever was. One should recognize therefore that a smoothly operating, stable, and efficiently organized international economy is a matter of choice and voluntary agreement among nations, requiring from each of them negotiation and compromise, both on policy objectives and on procedures.

Secondly, such an agreement must be flexible and adjustable, in order to remain relevant to the changing structure of the world economy and responsive to its varying requirements. A legal document, with all operational procedures fixed and settled, will serve adequately only for a brief period of time, until dynamic developments either are thwarted by its rigid provisions or, inevitably, render it obsolete.

Thirdly, if an international monetary mechanism operates under continuous discussion and flexible administration (as the preceding two points suggest it should), certain criteria and priorities for policy objectives need to be established. As Triffin points out, the achievement of stability and balance in international economic relationships is a many-dimensional problem. It may be done at a high or a low level of trade, in the absence or in the face of restrictions over the flow of goods and payments among nations, and it may involve virtually all or just a small number of nations. Each of these conditions could be regarded as having produced balance in international trade, which indicates that the manner in which this balance is reached matters at least as much as the fact of its attainment.

Classical economic doctrine consistently advocates the abolition of artificial barriers to the free flow of trade and payments throughout the world, in the interest of achieving the most economic pattern of production and distribution of resources. But, in so doing, it minimizes—often to a very unrealistic degree—the power of individual countries to impose their own policies and regulations in order to safeguard a

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stable and full employment of national resources. Invariably, compromises must be made regarding the permissible scope of economic policies over which national governments may retain individual jurisdiction. Perhaps some policy tools (e.g., limited exchange-rate adjustments, or restrictions on capital transfers) can be left to be determined by individual national action; alternatively, some goods (for instance, agricultural commodities) may be exempted from enforcement of the free-trade doctrine; another possibility would be that only a limited number of countries join together in realizing among themselves the conditions that the classical economists had foreseen for the whole world. All these would of course represent imperfections from the classical point of view, but they may well be the best way of achieving, gradually and on a slowly enlarging scale, international cooperation leading to general economic welfare and efficiency, rather than cutthroat competition among nations.

Triffin's story is essentially one of how an admittedly imperfect but immediately acceptable system, the European Payments Union, was gradually developed to fill the gap left by the failure of a technically superior institution, the International Monetary Fund, to function properly in the context of the postwar years. The latter institution had been designed for universal membership, with the same rules applying to large and small, industrial and agricultural, mature and backward economies alike. To enforce these rules impartially would be a very difficult task to perform in normal times; it was made virtually impossible by the enormous differential between those countries which had enjoyed a boom during the war and those whose industry and economic institutions were destroyed and had to be rebuilt. The IMF was unable to deal with this problem except by abdicating its functions during the "transitional period." Furthermore, the Fund became burdened with needlessly cumbersome administrative methods and an excessive concern for legal propriety in all its actions and decisions. Consequently, it had to abandon its role as an institution which would seek and offer advice on solutions to individual members' problems—it could not even countenance negotiation and joint efforts by groups of them—and thus it lost its influence in the formulation of their respective economic policies.

In a way, the "key currency" approach to the problem of international monetary stability, as embodied in the Anglo-American Loan Agreement of 1946, may have been correspondingly too pragmatic in concept, and too optimistic in its expectation of stability and convertibility for the pound sterling so soon after the war. Its proponents hoped that, if the

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major currencies used in world trade could regain their prewar prestige and reputation as sound, stable, and readily available instruments for making international payments, the status of the other currencies would matter less. Unfortunately, the British pound remained insufficiently sound and stable, and the American dollar insufficiently available, even after the Loan had been negotiated and drawn upon.

Possibly no scheme could have operated efficiently as Western Europe headed for the disastrous year of 1947, during which—as Triffin describes it graphically—the economic crisis of that continent came to a head. From this low point, however, began the slow, cautious effort of economic and financial reconstruction. Although the United States inaugurated the European Recovery Program to alleviate the "dollar shortage," it was slow to grasp the importance of intra-European cooperation in trade policy and monetary affairs to the revitalization of the area. The IMF would not commit its resources, both because of the available American aid and because of the dichotomy between its principles and those of prospective regional agencies. Furthermore, widely different national economic policies were being pursued in Europe. Belgium and Western Germany wiped out inflationary pressures by rather drastic monetary purges; Britain, the Netherlands, and the Scandinavian countries curbed them by an extensive system of rationing and price controls; France, Italy, and other southern countries permitted substantial price rises and currency devaluations. Under these conditions, it became difficult even to plan for the coordination of policies among all these countries. Finally, there remained a discernible split between the aims of Great Britain, whose objective it was to restore the pound sterling to its traditional position of primacy among the world's trading currencies, and those of the continental European countries, who were much more amenable to a payments mechanism based on the use of all currencies and envisaged cooperation on more equal terms. Triffin tells in detail of the successive arrangements and agreements, negotiated in the OEEC, which were designed to overcome the various difficulties and differences, step by step, year by year. For him, the inauguration of the EPU in 1950 obviously represents the climax of these long and complex efforts, and thus he endows the narrative with a notable continuity and mounting suspense. Some of his colleagues may feel that he gives the pre-EPU agreements insufficient credit for paving the way; others may say that EPU was too lax and too late in arriving, and that it permitted the participants more leeway than could be sanctioned for a quick return to orderly conditions. These are matters of opinion and emphasis, however, and

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cannot be argued in principle. Almost everybody will agree that, on the whole, the story of EPU is a success story.

III

But no such judgment can yet be made with regard to EPU's successor, the European Monetary Agreement, which has already been negotiated and is waiting to be put into operation as soon as a certain proportion of European currencies become fully convertible (into gold and dollars as well as into each other). Triffin discusses this Agreement at some length and makes it clear that, while it embodies some functions which in his view should clearly be maintained even after a state of general convertibility of currencies has been achieved, it also contains some provisions about which he is dubious.

For one thing, under convertibility there will be no need for the regular monthly "operations" or "settlements" that have been carried out in all intra-European agreements up to now. All member countries will presumably be able to dispose of any foreign currency they hold, and be able to acquire any currency they need, through regular banking channels. If not, the European Monetary Agreement gives each of them autonomy to vary its exchange rate within certain limits—an innovation to the provisions of preceding agreements, and in Triffin's view a retrogression.

Secondly, there will no longer be any automatic credit facilities available to the member countries which are in deficit to the rest of the group, although there is still the possibility of "special credits" analogous to those extended by the EPU Managing Board to Western Germany, the Netherlands, Turkey, and France at one time or another.

The result of these institutional changes is a departure from the mechanistic adjustments to balance-of-payments crises, and a heavier reliance on remedial measures undertaken by the individual member countries themselves (except to the extent that another member, or the other members as a group, decide to advance a short-term credit or make a capital investment). Like the IMF—which it closely resembles in other respects as well—the European Monetary Agreement seems to rely relatively little on group balance, or on group action to achieve it, but instead puts heavier emphasis on each country's obligation to maintain a proper position vis-à-vis the rest. To some extent, such a development is a natural by-product of general convertibility, which robs any regional monetary organization of most of its *raisons d'être.* And it is also symptomatic of the fact that, under *general* convertibility

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and *general* free trade, any club of nations becomes suspect of initiating unwelcome discriminatory or restrictive policies toward nonmembers.

What, then, is the purpose of the European Monetary Agreement? One is, quite evidently, to maintain a functioning body which could, if the need arose, help to localize possible balance-of-payments crises to one country—by extending special credits to it, by exacting promises from the other members not to retaliate against it for the loss of their export markets, and even by arranging for discriminatory trade practices in its favor, in order to help it overcome the crisis as quickly as possible. In this way, it is hoped that the unhappy chain reaction of the early 1930's, when one country dragged the next into inconvertibility and restrictive trade practices, can be avoided. The Agreement will provide not only the possibility of a line of credit to needy countries, but also a certain insurance against the recurrence and general spread of conditions which the EPU worked so hard to overcome.

Why, however, should such an agreement involve only the countries which now participate in the EPU? A weak case at best can be made for such a grouping if general convertibility of currencies is expected to prevail in the future; other, non-European, countries may need the potential credit facilities as much as, if not perhaps even more than, the industrial nations of Western Europe.

Triffin indicates two possible answers. First, he points to the possibility that a deep crisis may require the reactivation of an EPU-like mechanism, in which case it will be useful to have already operating an organization which is experienced in and could easily handle such an assignment. But he also seems to go further, evidently envisaging for the Agreement a gradually increasing functional role. The creation of a European currency would be to him a distinctly salutary development. And he speaks of possible banking functions under the Agreement, as if its managers could evolve a relationship toward the several central banks of Western Europe perhaps similar to that of the Board of Governors in Washington to the twelve Federal Reserve Banks in this country. He confines himself to mere suggestions of these ideas in his book, but he evidently regards a movement in this direction as plausible and desirable. And he may well be right, difficult though it will be to convince the Bank of England of it.

IV

Although most of the book is thus devoted to a thorough discussion of intra-European payments arrangements, the first two chap-

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ters present a well-organized and very lucid statistical study of economic developments in Western Europe between 1947 and 1955, tracing in detail the record of European recovery—the closing of the dollar gap, the gradual improvement of the over-all balance of payments, the recovery of industrial production, and the eventual return to monetary stability. These sections probe deeply into the factors underlying the revitalization of the European economy. They bring out the fact that the rate of invisible earnings returned to prewar levels, but that the volume of exports rose higher and thus helped to finance the increasing expenditures on imports which were caused by both rising volume and an adverse turn of the terms of trade. Moreover, Triffin presents the external and internal economic affairs of the countries concerned in a neatly integrated manner, a demonstration in national income analysis for an open economy which should become required reading in every course on international economics.

Unfortunately, however, he also devotes a portion of these early chapters to theoretical discussions which do not quite come off. In Chapter 1, for instance, considerable time is spent on a critique of dollar shortage theories and their implications. It is of course an obvious fact that these theories have proved, *ex post*, to be inadequate or inapplicable explanations for recent events; the dollar shortage of the early postwar years has been overcome quite successfully, which justifies the suspicion that this particular problem has occasionally been vastly overstated in contemporary literature. Nevertheless, some aspects of the theories cannot be refuted on the basis of the statistical record of recent years. For example, is there any doubt that, in case of another serious economic (or political) disturbance, there is less likelihood of a "flight from the dollar" than of a flight from almost any European currency, and to this extent therefore a stronger possibility of a serious balance-of-payments disequilibrium between the two areas? This is a development which has not been, and indeed cannot be, discussed in the context of statistics covering the years 1947-1955, and it remains, for this reader at least, a very real danger. Similarly, it seems intuitively reasonable to assume that Europe is much more immediately threatened with the exhaustion of natural resources than is the United States, and that the production of goods is, on the whole, performed more efficiently in this country than overseas—especially when one considers the relatively more extensive use of mass-production methods here. This factor also could contribute in time of crisis to Europe's balance-of-payments difficulties with the dollar area, particularly if expenditures

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on custom-made goods, or on tourism, transportation, and other sources of invisible earnings for Europe should simultaneously be reduced.

In a sense, this impression is the basis for Professor John H. Williams' suggestion of an inherent bias toward dollar shortage in Western Europe.[1] Triffin's refutation of this argument, however, raises the question whether he may not have misunderstood it altogether. For one thing, Professor Williams speaks of the comparative levels of productivity, meaning production per man-hour, in all occupations. Triffin's discussion, on the other hand, is in terms of an index of aggregate industrial activity, another concept altogether which not only leaves out the "per man-hour" aspect of the matter, but ignores agriculture, which is particularly inefficient in Europe, and service industries, which are also inherently less efficient, and more prevalent in Europe.

But even Triffin's own figures, inadequate as they are for a full appraisal of Professor Williams' thesis, seem to suggest its validity. Triffin has constructed a chain index of industrial production in the United States, Western Europe, and the whole world (excluding Russia and the United States), for five successive periods between 1913 and 1955. It shows that industrial production in the United States rose most rapidly in times of war (1913-1923 and 1937-1948), precisely when European industrial production actually declined, but that Western Europe "caught up" in the other periods (1923-1929, 1929-1937, and 1948-1955). Triffin makes much of this period analysis, but Professor Williams would probably point to the fact that, in the whole span of years from 1913 to 1955, industrial production in the United States increased by 457 per cent, while in Western Europe it rose only by 130 per cent, and in the whole world (excluding Russia and the United States) by 368 per cent. (These figures are based on a rough calculation of the data presented in Table 1, page 19, of Triffin's book, without any further modifications.) If this is the record of aggregate industrial production, how much less favorable for Europe will be the result if productivity per man-hour is considered, and especially if nonindustrial occupations are also included in the calculation?

One point which deserves mention is that most of the dollar shortage theories, and especially the one propounded by Professor Williams, consider a longer period of time than the eight or nine years after the end of the war which Triffin has studied, and that they show up in a particularly (but unfairly) bad light in this period of reconstruction

[1] See particularly his *Economic Stability in the Modern World* (Stamp Memorial Lecture), Oxford, 1952.

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and economic resurgence from an abysmally low point in Western Europe. But Triffin is, on the other hand, justified in criticizing the active consideration of these theories in the formulation of short-run economic policies during the early postwar years; for this purpose they were clearly inapplicable.

A different type of problem arises in Chapter 2, in which Triffin attempts to recast the framework of monetary analysis by the introduction of new concepts and definitions. His essential point is clear enough: that a deficit in the balance of payments and internal inflation are both symptomatic of the same maladjustment in the balance between a country's aggregate demand and domestic production, and that monetary developments in such a country mirror this maladjustment.

In this connection, one of Triffin's new concepts is of some usefulness. This is the "inflation index," defined as the index (taking 1938 as an admittedly imperfect base period) of the relationship of money supply to GNP as measured in constant prices. By this device, it is possible to differentiate between "real" and monetary responses to changes in the money supply: a low inflation index means that a larger money supply was effective in evoking a higher volume of production. A high index, on the other hand, means that the reaction to the increase was merely of a monetary nature—either the price level rose, or else the public willingness to hold idle balances did.

To differentiate between these latter two alternative developments (of either open or suppressed inflation), Triffin introduces another concept, the "liquidity index," which measures the relationship between money supply and GNP at *current* prices against that of 1938. Here a low index ("underliquidity") indicates that price rises accompanied and even outpaced the increase in the money supply—as they did, for instance, in France, Italy, and other Southern European countries in the years immediately following the war. "Overliquidity," on the other hand, shows that the domestic price level remained relatively constant despite higher money incomes—as it did in Great Britain and Scandinavia, owing to extensive direct controls over prices and the distribution of goods.

Yet the liquidity index has its own shortcomings as a tool of analysis or economic indicator. In periods of less than full employment, for example, one cannot tell (without appeal to other data) whether a rise in the index, far from signifying inflation of any kind, indicates a drop in the price level or in the volume of production relative to the money supply—two possibilities which call for rather different reme-

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dial measures. And even if this difficulty could be overcome, the index would still be at most a descriptive device; in fact, one of its real dangers lies in the temptation to employ it analytically without a clear awareness of the additional assumptions which are then required.

This danger is illustrated graphically in Triffin's own survey of the situation prevailing in Great Britain and Scandinavia after the war. After citing the development of serious overliquidity in those countries, he notes that, by force of government controls, the prices of their products remained low and, indeed, exaggeratedly competitive in world markets. Then, to explain the failure of these countries to accumulate large balance-of-payments surpluses despite such favorable conditions for their exporters, he argues that overliquidity led to an excess of domestic demand both for imports and for domestically produced goods which might have been exported. But this is impossible: if the governments concerned could not effectively restrict the internal demand for imports and for exportable goods, they could have neither controlled prices successfully, nor brought about that degree of overliquidity on which the argument is based. Thus, one must conclude that the complete explanation has not yet been found, and that the concept of overliquidity cannot be introduced as a causative factor without substantive elaboration. For purposes of economic analysis, therefore, the concept of a liquidity index is no more useful than that of "velocity of circulation" (as used in the Quantity Equation)—of which, incidentally, it is by definition the reciprocal.

This last observation raises the question of the difference between the liquidity index and Alfred Marshall's k, which was said to indicate people's willingness to hold money as an asset (and thus, by implication, roughly the degree of their confidence in the currency). As Triffin describes his concept, however, a high liquidity index may mean not popular willingness, but effective governmental regulations which force the public to hold idle balances of what would then undoubtedly be artificially overvalued currency. This difference between the two terms should perhaps be represented as a necessary updating of the Marshallian concept which is required by the recent development of new economic policies and controls. But the new term is vaguer than the old, and thus no more useful either for operational or for analytical purposes.

V

The importance of these shortcomings in Triffin's presentation should, however, not be overemphasized, especially since they impinge only on

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short passages contained in the first two chapters of his book. The major portions of even these chapters consist of a notably lucid description of the economic developments in Western Europe that led to the recovery of that area from extensive war damage to unprecedented prosperity. And it has already been pointed out that Triffin has a distinct flair for arranging and presenting this intricate analysis relatively simply and logically, thus helping the reader to a clear understanding of rather complex subject matter. (In this connection, the exemplary organization of each chapter and the remarkable quality of the accompanying charts throughout the book should also be noted.) Some of the book's theoretical formulations and observations have been criticized in this article, but it is hoped that even these can be revised or amended for use in the Western European country studies of economic policies and developments which Triffin and some of his students are reported to be presently undertaking.

The main feature of the book, however, still is the later section of six chapters in which intra-European trade and payments arrangements since the war are reviewed and analyzed. Here Triffin writes with the insight and authority of an active and perspicacious negotiator; he deals with plans, theories, discussions, and events relating to all aspects of the dual problem of revitalizing the Western European economy and of promoting and safeguarding a world-wide system of convertibility and free trade. On this topic, the book is certain to become a standard reference work, and a most valuable addition to the literature.

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DOLLARS, STERLING, AND THE STERLING AREA

By S. T. BEZA

Philip W. Bell, *The Sterling Area in the Postwar World: Internal Mechanism and Cohesion, 1946-1952*, Oxford, at the Clarendon Press, 1956, 478 pp. $10.10.

Judd Polk, *Sterling: Its Meaning in World Finance*, New York, Harper & Brothers, for the Council on Foreign Relations, 1956, 286 pp. $3.75.

Richard Gardner, *Sterling-Dollar Diplomacy: Anglo-American Collaboration in the Reconstruction of Multilateral Trade*, New York, Oxford University Press, 1956, 423 pp. $6.75.

THE books by Bell and Polk on sterling and the sterling area and the book by Gardner on the Anglo-American negotiations of the postwar agreements that dealt with monetary and trade arrangements are important contributions; the first two serve to enhance our understanding of the sterling area system as it has operated in the postwar years, while Gardner's work provides us with a picture of what the representatives of these two "key countries" in trade and finance thought the major postwar problems would be and how they attempted to work out solutions to these problems.

I

Sterling's important position in international finance was built in the nineteenth and early twentieth centuries (prior to World War I) and was based on its general acceptability throughout the world. This acceptability stemmed from Britain's dominant position in international trade—she was the largest importer and exporter of commodities (chiefly imports of raw material and foodstuffs and exports of manufactured goods); from her supremacy in the fields of banking, insurance, and shipping; and from her capacity to maintain greater stability of her currency than did most other countries. Sterling was convertible into gold in that period, which probably contributed to the rest of the world's confidence in it. But this confidence did not rest solely on sterling's convertibility into gold; it would be more accurate to say that Britain managed the pre-World War I gold standard for the rest of the world. With only a small reserve of gold relative to sterling notes and deposits, she managed to maintain convertibility into gold by virtue of her position as the world's important international banker,

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which gave her the power to draw funds from the rest of the world in time of stress; this position stemmed, in the main, from her balance-of-payments position, which generally showed a sizable surplus with the rest of the world. With other countries borrowing short-term in London, when the Bank of England found it necessary to augment its gold reserve a change in its interest rate was generally sufficient to reduce the volume of credit outstanding. The workings of this system gave rise to the expression that "gold was on sterling," rather than the other way around, and to the view that the whole world was, in effect, a sterling area.

World War I put an end to this arrangement; it was not until 1925 that Great Britain returned to the gold standard. But the new system did not work as smoothly and effectively as the prewar one. The gold-pound ratio adopted by Britain imposed strong deflationary pressures upon domestic income and employment, and a tendency toward balance-of-payments deficit; and the rise of New York as a competing financial center reduced London's power to attract funds in time of need. These strains mounted with the advent of the Great Depression, and in 1931 Britain felt compelled to abandon the gold standard and depreciate her currency. A number of countries followed Britain's lead, depreciating their currencies with the pound and thus keeping stable exchange rates with it. This group of countries came to be known as the sterling area, an area of exchange stability without any other formal structure. The sterling area countries tended to keep most of their international currency reserves in the form of sterling balances and British securities (usually short-term), and invoiced their transactions in sterling. At the outset the area was made up of the Commonwealth countries and dependencies (excluding Canada), but within a few years they were joined by a number of non-Commonwealth countries.

For the independent Commonwealth nations the decision to tie their currencies to sterling rather than gold was undoubtedly affected by their political ties with Britain, but among both the Commonwealth and non-Commonwealth countries there were compelling economic reasons for the decision. Since Britain was a major importer of their products the countries that formed the sterling area found it advantageous to maintain stable exchange rates with the pound because this facilitated trade and prevented the deterioration of their competitive position in the British market. The fact that the slump in Britain's economic activity and in her imports was less severe than in other important industrial countries reinforced this preference.

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With the approach of war in 1939 the form of the sterling area altered; the non-Commonwealth countries gave up their connection with the pound in the uneasy months preceding the war and the sterling area became essentially a Commonwealth arrangement, except that it included Egypt and excluded Canada. With the passage of Britain's exchange-control legislation the sterling area became the well-defined system that has continued to the present day.

While restrictions on the use of sterling have continued with diminishing intensity throughout the postwar period, sterling has remained an important international currency financing roughly one-half of the world's trade in goods and invisibles. The sterling area, which delineates the countries formally linked with sterling, is comprised of the countries which in British exchange-control parlance are labeled the "scheduled territories." These are the dependent territories—the British dependencies in Africa, the Far East, and the West Indies; all the Commonwealth nations with the exception of Canada, but including India and Pakistan; and non-Commonwealth countries such as the Irish Republic, Iceland, Burma, Iraq, etc.

In the early postwar period when trade and payments were rigidly controlled by most countries, the sterling area countries formed a group within which the controls over current and capital transactions were relatively mild. But while the sterling area members imposed few controls over their trade and payments with one another, they made extensive use of controls over transactions with the nonsterling world. With the formation of the European Payments Union in 1950, the controls over payments were drastically reduced in Europe, and, by virtue of Britain's membership in both the European Payments Union and the sterling area, these two multilateral-settlement areas were in effect joined to form a larger free-payments area.

II

Mr. Bell divides his study into three parts: "The Sterling Area System," "Operation of the System in the Post-War Period: Disturbances and Adjustments," and "The System in Transition." The first part outlines the meaning and rules of membership in the system, the second deals with the money and banking interconnections in the system, and the last deals with the trade, financial, and capital ties in the system and the outlook for their continuance among the overseas sterling area countries and Britain. Bell has narrowed his treatment of the subject matter to the internal workings of the sterling area system, and the area's relationships with outsiders are brought out "only as

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they affect the attractiveness of the Union to its members" (p. vii). For the period covered (1946-1952) the work is both intensive and comprehensive, and it should serve as a model of good scholarship.

Bell points out that simple definitions of the postwar sterling area as a system within which complete freedom of payments was maintained do not fit the facts. Although intra-area transactions were subject to fewer restrictions than elsewhere in the world (especially up to 1950), there were several impediments to the use of sterling. First, some of the sterling balances accumulated by the members during the war years were blocked (through negotiation and agreement), and released only gradually over time. This blocking of the sterling balances was not really very restrictive since Britain stood ready to work out a new agreement on allowable releases if a member country should find itself short of sterling. The blocking of the sterling balances, however, did engender fears among the members that this type of control might be exercised more stringently in the future and become a standard practice for the British when the area was in balance-of-payments difficulties with the outside world. Second, this consideration was undoubtedly a factor in stimulating the use of trade and payments controls by member countries on transactions occurring within the group. Australia, New Zealand, and India employed quantitative and exchange controls, and while some of these controls flowed directly from national development programs, many were a direct response to payments problems. Britain herself did not resort to these controls in transactions with the other member countries, and the British colonies were, of course, precluded from doing so.

The third restriction upon the use of sterling for transactions within the area was the control over capital issues exercised by the Capital Issues Committee in London. Yet, as Bell points out, this control over foreign capital issues was little used, although there were instances when it was employed to increase Britain's bargaining position in negotiations with sterling area members, particularly the Union of South Africa.

Regarding the international banking mechanism of the sterling area, Bell distinguishes between the monetarily dependent and independent countries. In the countries or areas with dependent currencies, domestic currency exchanges at a fixed ratio with, and is backed 100 per cent by, sterling. Changes in the domestic supply of currency and/or commercial bank reserves are dependent upon the balance-of-payments position of the territory. In effect, these areas earn both their domestic and international monetary reserves, unlike countries with independent

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central banks, where the problem is mainly earning their international reserves. For the monetarily dependent areas, balance-of-payments adjustments involve directly and immediately changes in domestic prices, income, and capital movements.

For the monetarily independent countries in the sterling area, Bell points out, the system is becoming more and more a central bank and/or central government tie. Rather than allowing the monetary changes associated with balance-of-payments surplus or deficit to exert their full impact on domestic income and employment, these countries with active central banks take steps to manage the adjustment. Since these central banks do not maintain 100 per cent reserves in sterling against their liabilities, they can undertake measures to offset balance-of-payments pressures in the interest of maintaining domestic stability. But since these banks cannot disregard the balance-of-payments effects (especially deficits) completely, they must resort to other methods of control: alterations in exchange rates or quantitative restrictions and exchange controls.

Bell raises a number of doubts about the long-run cohesiveness of the sterling area. First, the ties resulting from the large volume of intra-area trade and especially from Britain's demand for the exports of other sterling area countries appear to be weakening somewhat. In the long run, export markets and sources of supply other than Britain may well be more profitable to many of the sterling area countries. Second, Britain will probably have difficulty in providing the overseas sterling area countries with sufficient capital, and these countries will go elsewhere for capital funds. According to Bell, this would strike at an important *raison d'être* of the system, and would probably provoke intra-area disputes over the use of the gold and dollar pool since any large-scale movement toward capital sources outside the sterling area would likely involve dollar transactions. Third, Bell foresees a weakening of the financial ties that play a role in holding the system together. There has been a decline in the demand for sterling balances on the part of the overseas sterling area countries because of the centralization of international reserves within these countries, because of the decline in the amounts owed London, which has reduced the funds needed to meet interest and amortization payments, and because of the growth of other financial centers in the overseas sterling area where direct settlements are made and only net claims are settled in sterling. Bell also notes that there are political considerations involved; he does not explore them very far, but he doubts whether the political ties would be sufficient to prevent a breakup or serious modification of the sterling area if a num-

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ber of the members found its continuance to be to their long-run economic disadvantage.

III

Mr. Polk devotes less space than Mr. Bell to the internal workings of the sterling area system, but considers some of the external problems related to sterling and the sterling area, such as depression, dollar shortage, and discrimination. Concerning these external problems, Polk notes: "The problem of the 'dollar shortage' symbolizes the fit or misfit of the sterling area in the world economy, and the term 'dollar shortage' itself has become imprecise, or multi-meaningful at least, as it has been variously defined with reference to complex judgments of the degree of fit or misfit. In the first couple of years after the war, 'dollar shortage' was pretty generally understood as a shorthand way of referring to the obvious physical need of countries which, in the awkward posture of war-lameness, needed goods and services they could not pay for out of current earnings and which only the Western hemisphere could immediately supply. Gradually after this initial period, these war-disrupted economies exceeded the hopes of their governments and ours in restoring their output and adapting it to the world's limbo between war and peace; still the shortage of dollars was felt, though the dollar world's temporary virtual monopoly of output had ended" (pp. 208-9). Polk asks, almost rhetorically, whether the problem that remained was essentially a dollar shortage or pound glut. He then examines some of the reasons commonly given for considering the main problem to be dollar scarcity.

A number of writers have held that more rapid advances in American productivity are an important cause of recurring balance-of-payments difficulties for foreigners vis-à-vis the United States. They allege that the rate of increase in productivity has been more rapid in America than in the rest of the world over the long run and that this could cause foreign countries to have balance-of-payments troubles with the United States if they inflated money incomes in line with their productivity increases while in the United States money income increases lagged behind productivity increases. But in the postwar period there is evidence that increases in output per man-hour have been greater in many of the industrial European countries than in the United States. In addition, money income increases in the United States have outstripped, by far, the advances in productivity. Polk considers a refined version of the relative-productivity argument, according to which the American productivity increases have been import-biased, i.e., they

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caused the displacement of foreign suppliers in the United States market, thereby imparting adverse balance-of-payments pressures to foreign countries. However, Polk finds little evidence for the notion that American technology has caused the sudden displacement of imports, arguing instead that changes of this kind have been gradual. Moreover, so far as Britain is concerned, he finds that the composition of her exports has shifted importantly toward products involving higher technology. However, there does not appear to be any direct relationship between the productivity gains made in Britain's various economic sectors and the expansion in her exports. From this evidence Polk concludes that there is little explanation of dollar shortage in arguments framed in terms of relative advances of productivity, a conclusion with which this reviewer concurs.

As to the impact of business fluctuations in the United States upon the sterling area Polk sees a mixed picture. Beyond doubt, cyclical movements in the United States significantly affect the external positions of most other countries, because our imports tend to fluctuate more than our domestic output, and are a sizable fraction of world trade. But there is no simple relationship between the level of activity in the United States and the payments position of the sterling area; for example, the 1948-49 American recession caused difficulties for the sterling area while the 1953-54 recession did not. Further, in 1955, the British balance of payments deteriorated in the face of an increasing tempo of economic activity in the United States.

Even if it is granted that fluctuations in the United States may make difficulties for the sterling area, this does not lead Polk to the conclusion that a policy of discrimination against the dollar is a feasible or desirable means of mitigating these repercussions. He argues, first, that discriminatory barriers merely remove the necessity of continually adjusting to small changes in demand and supply conditions but do not preclude the necessity of making large, discrete, and more painful adjustments at some later date; and second, that, to be effective, insulation from disturbances originating in the American economy would have to "be carried to autarkic extremes" (p. 224). One could contend, of course, that discriminatory controls will be profitable if the underlying demand and supply conditions are such that the area or region imposing the regulations can turn the terms of trade in its favor. This is simply the argument that while free trade maximizes the world's real income, it does not necessarily maximize real income for any individual country, which may in fact be able to do better for itself by imposing controls. In practice, however, it is almost impossible to determine

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whether it is in a country's interest to restrict its foreign trade when the conditions of demand and supply are subject to change, as is usually the case.

With their common acceptance of sterling and with their trade and investment ties, the members of the sterling area find it possible to cope with whatever payments problems spring up within the area. But Polk considers the payments problems that confront the area externally to be much more severe. The area's domestic absorption of output he believes is at a level that makes recurring balance-of-payments difficulties a strong possibility, and he regards free convertibility of sterling (for nonresidents) and its greater use as an international currency as unlikely prospects. Some discrimination (at least toward the dollar) will probably be employed by the sterling area to control its payments position. Though Polk sees a gradual improvement in the payments position of the sterling area, he feels that many of the favorable changes may have been fortuitous, and that further important improvements are necessary before the sterling area's viability can be ensured for a world in which sterling is convertibile.

IV

Bell's systematic examination of the sterling area ended with 1952 and Polk's with 1955, and since the sterling area system has undergone some significant changes in the past five years it is instructive to compare the forecasts of the two writers with what has happened and with some of the trends now appearing. Bell expressed doubts over Britain's ability to provide capital to members who may be seeking funds for development purposes, and he raised the possibility of conflicts should the overseas sterling area countries turn elsewhere for funds. One fact is clear: Britain cannot generate internally (as she did in former years) the savings necessary to satisfy the investment appetites of the overseas members. Investment demands in Britain are of such magnitude that they absorb almost all domestic savings. But in recent years the London capital market has been able to finance a substantial volume of foreign investment with the savings of the overseas sterling area countries, largely the dependent territories. In effect, London has been acting the role of financial intermediary, borrowing short-term as a number of the area countries build up sterling balances in London, and lending long-term. There is, of course, no certainty that the overseas sterling area countries will continue to build up their sterling balances. But for most of them sterling is an important base for the domestic money supply and for all of them it is the international reserve. Hence, as their

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incomes and foreign trade expand it is likely that they will attempt to augment their holdings of sterling. On the other hand, as more of the British colonies achieve political independence, their ties to sterling may loosen and the strength of the centrifugal force just noted may diminish.

Along with this growth in Britain's ability to provide capital from area savings, there has been a steady movement since 1952 to dismantle the discriminatory controls imposed by the sterling area vis-à-vis the outside world. This breaking-down of barriers has not gone so far with respect to the dollar as it has for other currencies; nevertheless, a great deal of progress has been made in the movement toward a more liberal trade and payments system. What has emerged is a partial return to the system that prevailed prior to World War II, which was the result of common trade and financial interests rather than an instrument of discrimination held together by stringent rules. Polk probably underestimates the decline of the discriminatory aspects of the sterling area system and is unduly pessimistic about the future of sterling as an international currency. This stems in large part from his feeling that the dollar problem has not yet been solved. For the world as a whole, the striking gains made in reducing trade barriers and the sizable increases in dollar balances held by foreigners seem to indicate that a considerable step toward solution has already been taken. Individual countries will undoubtedly find themselves in difficulties from time to time because of speculative movements, or because exchange rates are out of line, but this should not blind us to the advances that have been made.

In the past year sterling has been under severe pressure (despite a relatively balanced trade position) because of speculation that arose first out of the Suez crisis and more recently over the future exchange ratio between the pound and the German mark; but the swift action of the International Monetary Fund, and the domestic monetary measures Britain has taken, have forestalled her resort to direct controls to alleviate the pressure. These recent events do not now appear to be reversing the trend toward a freer use of sterling internationally, although they are braking that movement.

V

Mr. Gardner's book is a forceful account of the postwar monetary and commercial agreements drawn up by the United States and Britain; its coverage extends through the refusal of the United States Congress in 1950 to accept the Havana Charter which would have es-

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tablished the International Trade Organization. His main emphasis is on the International Monetary Fund and the Anglo-American Loan Agreement.

What emerges most strikingly from Gardner's book is that most of the postwar planners were quite far off the target in their assessments of the problems that would confront the postwar world. The United States feared a return to fluctuating exchange rates of the beggar-my-neighbor type which had been a characteristic of the 1930's. Great Britain's uppermost fear, on the other hand, was that the United States would again suffer a depression such as it had in the 1930's. As it turned out, the problem has been one not of maintaining stability in exchange rates but rather of reluctance to alter external currency values even in the face of serious balance-of-payments problems. When countries were suffering a depression in the 1930's, they found it to their advantage to depreciate their currencies in order to stimulate exports, thereby expanding domestic activity. The 1940's and 1950's have been characterized by entirely different conditions in almost all countries; with full employment, the main domestic problem has been curbing inflation. Under these circumstances imports have helped to temper domestic price increases, while an expansion of exports has served to aggravate the problem even more. No wonder that countries have clung to overvalued exchange rates so long as their reserves held out.

Britain's fear of an American slump has also proved to have been unfounded; the United States' economy has had to contend with inflationary pressures throughout most of the postwar period. Lest it be thought, however, that foreign countries were the only ones fearful that the United States would suffer unemployment in the postwar period, it should be remembered that American officials were thinking along the same lines, as reflected in the "easy money" policies followed in 1946-1947 in the face of rapidly rising prices.

In addition to advocating exchange-rate stability, the American negotiators pressed for nondiscrimination in trade and for currency convertibility. The Imperial Preference arrangement became the prime target of the American negotiators, and tremendous efforts were made to try to exact from the British a promise that they would take steps to end the system. As it turned out, the barriers to trade raised by this preferential tariff system were as nothing compared with the barriers to trade and payments erected by the quantitative restrictions and exchange controls so massively used in most of the countries in the world (with the important exception of the United States). Currency convertibility, advocated strongly by the United States, became a part

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of the Anglo-American Loan Agreement; the experiment with sterling convertibility began in 1947 and lasted less than two months before Britain suspended it because of heavy drains on its gold and dollar pool.

The International Monetary Fund, which grew out of Anglo-American negotiations, met American objectives of stable exchange rates and of an exchange pool with funds provided by the members. Countries were allowed to draw upon the pool, at the discretion of the Fund's authorities, up to prescribed amounts to meet temporary balance-of-payments deficits. Lord Keynes' plan for a Clearing Union, which was not adopted, was similar to the Fund in that it enhanced international liquidity, but its operation had more automatic features, and the upper limits prescribed for each country were more generous. In the early postwar years the Fund did little to improve the world's payments situation; it was the Marshall Plan in 1947 and the European Payments Union in 1950 that played the dominant roles in helping many countries balance their international accounts.

Gardner attributes much of the failure to achieve effectual international organizations to a search for panaceas through "universalism." In his opinion, this neglected "the central problem of British reconstruction and the special relationship between Britain and the United States as the two key countries of the world economy" (p. 383). An alternative to the Fund's universalism, to consider the case at hand, would have been to proceed along the lines of the "key currency" proposals. This would have involved an attempt to stabilize the pound-dollar relationship and then to bring other currencies into the picture as they tied themselves to either the dollar or the pound. Gardner demonstrates very clearly that the Fund was ill-equipped, in both structure and resources, to handle the job given to it, but he does not show how the "key currency" approach would have been a clear improvement. The task of restoring output levels and controlling inflation would have been the same for most countries, and an effective solution to these problems would still have involved substantial aid from the United States.

The international currency proposals discussed during and immediately following the war were correctly viewed as important elements in the re-creation of a multilateral trade and payments system; however, they were designed for a system that was close to balance, but which did not then exist. Since that time, most countries have improved their payments position markedly, and now the main question is how can a system in proximate balance most effectively allocate its resources. To that end, a re-examination of international currency arrangements is in order.

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THE PUBLIC INGREDIENT IN STATECRAFT

By WILLIAM C. OLSON

Walter Lippmann, *Essays in the Public Philosophy*, Boston, Little, Brown and Co., 1955, 189 pp. $3.50.
Harold Nicolson, *The Evolution of Diplomatic Method*, London, Constable and Co., Ltd., 1954, 93 pp. 10s. 6d.
Henry M. Wriston, *Diplomacy in a Democracy*, New York, Harper & Brothers, 1956, 115 pp. $2.50.

As the range of alternatives open to a democracy narrows with its awareness of great peril, the competence of the ordinary citizen in the making of great decisions tends to come more and more into question. At the same time, as the Cold War settles down to a war of ideology in which the concept of the sovereignty of the people finds itself pitted against the concept of an elite vanguard of the proletariat, the necessity for nurturing viable democratic institutions of survival becomes ever more apparent. Three noted contributors to the subject of open discussion of foreign affairs have recently advanced some of their most telling arguments on this question of the role of the people in foreign affairs, Nicolson through the Chichele lectures at Oxford, Lippmann by way of a book whose paperback edition makes his viewpoint readily available even to the public he distrusts, and Wriston in an elaboration of a series of lectures for the Associated Colleges of Claremont, California.

I

The very familiarity of Lippmann's newest volume renders unnecessary any but a brief recapitulation of his thesis with reference to foreign policy. The malady of the democracies is the devitalization of the governing power caused by the unwarranted intrusion of the public into the policy-making processes of the great powers of the West. Because its opinion about events moves more slowly than the events themselves, the public is invariably concerned (when it is concerned at all) about situations which no longer exist. Emotional involvement further complicates matters, negatively through the propensity of leaders to portray wicked national enemies as deserving of passionate hatred, positively by the penchant for utopian dreams of a new Golden Age after the current war to end wars makes the world safe for de-

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mocracy. Drugged by propaganda, the public never learns from experience, so that the deadly cycle of unreadiness—frantic preparation—demobilization goes on and on. Intimidated and insecure, politicians advance "only as they placate, appease, bribe, seduce, bamboozle, or otherwise manage to manipulate the demanding and threatening elements in their constituencies" (p. 27). Their decisions rest upon what is popular, not what is good or right. Combined pressures of unknowing mass opinions and of "boss-ridden oligarchies" (Lippmannese for representative assemblies, p. 55) enfeeble the executive leadership of most democratic states, which have fallen victim to an internal revolution reversing the proper relationship of the rulers and the ruled. Democratic foreign policy fails *because* it is democratic.

Nicolson also regrets the passing of the *ancien régime*, particularly the "old diplomacy" in which he himself was schooled, and the emergence of what he terms the "Wilsonian" or the "American" method of diplomacy. This unfortunate transformation came about through the internalization of foreign policy, "the belief that it was possible to apply to the conduct of *external* affairs, the ideas and practices which, in the conduct of *internal* affairs, had for generations been regarded as the essentials of liberal democracy" (p. 84). By the end of World War I, the now-dominant Americans added their distrust of diplomacy (especially of the secret variety) and their missionary zeal for egalitarianism to the prevailing sentiment against war. The idealistic and "dangerous" Wilson preached that covenants should not only be open, but be openly arrived at, and that diplomacy should be conducted in full view of the public. This, perhaps the "most confusing of all the fallacies that we owe to President Wilson" (p. 86), continues to corrode the international effectiveness of the Western powers. At Paris he may quickly have perceived that negotiation and policy were two different things, but the public never has grasped the distinction. Furthermore, the stability characteristic of the old diplomacy has given way to "utmost instability." In televised negotiation, rational discussion is suspended in favor of endless propaganda harangues addressed not to the other delegates but to the public back home. Assailing the view that the people are always right and that their misfortunes are due to professionals, the British writer revises Lincoln's phrase to read, "although it may be difficult to fool all the people all the time, it is easy to fool them for a sufficient period of time to compass their destruction" (p. 91). Here Nicolson comes very close to Lippmann's conviction that the public intrusion into foreign affairs has brought on "something which can be called an historic catastrophe" (p. 15).

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Before turning to *Diplomacy in a Democracy*, we must note the views of George Kennan, for both he and Lippmann share the brunt of Wriston's counterattack. The former Director of the Policy Planning Staff of the State Department asserted in 1951 that much of our "trouble" stems from the degree to which executive leadership in Washington feels itself beholden to short-term tides of popular judgment. Public opinion (or what passes for it in official circles) "can be easily led astray into areas of emotionalism and subjectivity which make it a poor and inadequate guide for national action."[1] Later, he candidly argued in favor of a freer hand for "the ruling group,"[2] stating that America "must take a tighter control of its own life and evolve a greater sense of purpose with regard to the shaping of its own development."[3]

Turning more directly to foreign affairs, Kennan notes how many dislike the fact that governments, not peoples, engage in foreign affairs, and yearn for more direct people-to-people relations, unmarred by meddling interference from government. Because of the inevitable association of power with responsibility, Kennan argues that only governments can speak responsibly in foreign affairs. Yet, because a government represents the dominant political faction as well as the nation as a whole, its pronouncements and programs abroad reflect not only the nation but competing political forces within it. To follow a constructive course in international relations often runs counter to the dictates of the internal political struggle. The more democratic a country is, the more this tends to be so. A regime which is "strong and authoritative" (Kennan does not say "authoritarian") may more easily undertake an intelligent course than one caught in the throes of domestic politics.[4]

Despite certain differences in emphasis (e.g., Nicolson devotes a great deal of attention to historical aspects of diplomacy), there is no mistaking the essential oneness in the viewpoint of these critics of public interference in statecraft. The criticism has aroused Henry Wriston to a vigorous defense of what he proudly calls "democratic diplomacy." Where Lippmann "brooded upon the events" (p. 15) which have precipitated the decline of the West, Wriston praises the "adaptability, resourcefulness, imagination, and skill that made it possible for a

[1] *American Diplomacy, 1900-1950*, Chicago, 1951, p. 93; reviewed by Grayson Kirk in *World Politics*, v, No. 1 (October 1952), pp. 110-15.

[2] *Realities of American Foreign Policy*, Princeton, 1954, p. 44; reviewed by William G. Carleton in *World Politics*, VII, No. 4. (July 1955), pp. 627-39.

[3] *Realities of American Foreign Policy*, p. 110.

[4] *Ibid.*, p. 44.

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people civilian in thought and habit to mobilize their energies to win victories in two successive wars over nations steeped in militarism" (p. 64). Public opinion, far from being the source of a disastrous collapse of Western civilization, lies at the very foundation of a successful American system. Scholars, professionals, and "tired commentators" who propose schemes for the elimination of politics in diplomacy in favor of their own particular brand of *expertise* overlook the facts of life; "it is absurd to find men arguing for such a utopian program while pretending to deal realistically with world problems" (p. 106). The professional diplomat, like the professional soldier, must subordinate his will to that of the people. As Wriston sees its function, public opinion "is not expected to deal in nuances, in procedures, in techniques. Actually it needs only to respond to situations in clear and simple terms. For example, public opinion must decide that the United States is to go it alone or have a 'career in the world'; it must determine to let the devil take the hindmost or temper competition with cooperation; it must agree or refuse to pay the bill for deterrent armaments; it must weary of the stridency of the chauvinist, the exploiter of issues—and show its disapproval; . . . it must bring the moral simplicity of the golden rule to bear upon international issues" (p. 110).

II

Morality, in one form or another, plays an important role in each of these interpretations. In a phrase that has often been quoted, Kennan characterized the most serious fault in past policy formulation as being the legalistic-moralistic approach to international problems, involving "the carrying-over into the affairs of states of the concepts of right and wrong, the assumption that state behavior is a fit subject for moral judgment."[5] Explicitly rejecting this criticism, Wriston cites as both genuine and significant the "profound moral commitment" of the Marshall Plan, the winning of the Battle of Britain "by heart, by courage, by faith," the "soul force" of Gandhi which defeated every other kind of power, and the "faith in the reality and vitality of spiritual forces" exemplified by Eisenhower at Geneva. Kennan denies that he ever meant to suggest that the United States neglect certain fundamental moral concepts characterizing the very spirit of our way of life in promulgating its foreign policy, but does oppose the assumption that our particular set of moral values, growing out of our own traditions and religious groupings, are necessarily valid for people everywhere.[6] Nor would

[5] *American Diplomacy, 1900-1950*, p. 100.
[6] *Realities of American Foreign Policy*, p. 47.

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such an assumption be made by Wriston, who asks that policy be based upon moral considerations as well as the more tangible factors of power, arguing that the "human spirit cannot be entered upon a balance sheet, nor weighed, nor measured, nor counted" (p. 115). He is highly critical of analysts of foreign affairs who, in listing factors of national power, appear to neglect the moral element. Unlike the other authors, Wriston identifies morality with public opinion: "Democracy itself finds its roots in the equality of men, which is explicable upon no basis except religious grounds. Public opinion provides the strongest foundation for diplomacy when spiritual strength is given its rightful position of priority among all the factors that shape policy" (p. 115). Contrast this with Sir Harold, who is weary of the "egalitarian illusions" of Americans. To the venerable British diplomatist there is a moral element involved, but it lies more subtly in a belief that "Americans possess more virtue than any giant Power has yet possessed" (p. 93). In an earlier book on diplomacy, Nicolson argued that it "is not a system of moral philosophy. . . .The worst kind of diplomatists are missionaries, fanatics and lawyers. . . .Thus it is not religion which has been the main formative influence in diplomatic theory; it is common sense."[7] Lippmann, in using the moral argument *against* democracy in the conduct of foreign affairs and associating virtue only with an elite imbued with the "public philosophy," finds in contemporary public influence on foreign policy the very antithesis of morality in politics.

This is the heart of the matter. One's moral philosophy applies to issues involving the governing of men by men. Diplomacy may not itself be a system of moral philosophy, but the goals and objectives of diplomacy necessarily reflect the moral predispositions and judgments of the nation and its political leaders. Democracy is a normative concept. Either people have a right to govern themselves, taking the consequences of their decisions, or they do not, in which case a paternalistic elite could better perceive and pursue the national interest. Few national problems fail to derive, in some way, from international relations; to eliminate foreign policy from the area of legitimate concern of the people is to eliminate the democratic principle itself. If the guiding ideal is to be government *by* the people, then foreign policy must be their concern; if it is to be merely government *for* the people, then the executive should be supreme, in diplomacy as in other aspects of statecraft. But in the latter case, the elitists would have to make a case for efficiency as well as for morality, for the elite systems of this century

[7] *Diplomacy*, London, 1939, p. 50.

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have hardly distinguished themselves by their finesse and permanence in foreign affairs, to say nothing of their moral rectitude. As Churchill is said to have observed, democracy is the worst form of government ever devised, except for every other form.

Despite philosophical differences, the authors reach essentially the same conclusion on one point: the necessity for the enhancement of professional diplomacy if the United States is to maintain (in Wriston's view) or to regain (in Lippmann's) its leadership of the West and the world. Nicolson venerates the old French method of diplomacy which, as it was developed by Richelieu and Callières, combined a centralized authority for policy formulation with a professional service for its implementation. Dignified, gradual, sensitive to the realities of power, it attached importance to experience and knowledge, but did not assign any role or responsibility to the people. Kennan, though apparently resigned to some degree of amateurism in American foreign affairs, nevertheless pleads for the "principle of professionalism" in order to produce a corps of officers of unparalleled quality. By deploring the eclipse of executive power which has undermined the authority of leaders to speak and act for the nation, Lippmann clearly indicates the necessity for a return to executive leadership and responsibility, which obviously implies more professionalism and responsibility in the handling of foreign affairs. By devoting one half of his book to the professional diplomat, Wriston confirms the trend, exemplified in his own special assignment in 1954 as chairman of the Public Committee on Personnel for the State Department, toward establishing professional diplomacy as a permanent feature of the American process.

III

None of the authors deals with one crucial aspect of this concept of professionalism in a democracy. Does not this concept necessarily encompass sensitivity to, and systematic analysis of, public opinion in both the country to which the diplomat is accredited and, perhaps even more importantly, the country which he represents? One of the alleged abuses of American diplomatic practice which led to the "Wristonization" of the Foreign Service was a tendency of officers long away from home to represent the outside world to America more than the other way around. Now, to the discomfiture of some of them, FSO's are required to serve terms at Washington desks, the better, presumably, to sense the changing moods and patterns of American life and the better, presumably, to represent their homeland when they once again take assignments in the field. Yet, if the process is nothing more

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than one of political and sociological osmosis, whereby the specialist is supposed somehow to "sense" the political milieu of his own country, it is scarcely likely to produce the kind of result envisioned by those who brought him home. Public opinion analysis, though hardly yet a science, has advanced far enough to provide something better than that.

If part of the diplomat's initial training and continuing responsibility were to include careful attention to the stresses and the harmonies among the many different strands that make up the fabric of public opinion, he would be better able to interpret his country to foreigners and to analyze the directions into which public pressures may be forcing the policies of the government he represents. Very little is accomplished simply by deploring the fact of democratic control, for it is a fact. Rather, a useful and essential task, along with raising the level of public understanding of foreign affairs, is heightening the degree of comprehension of the public mind on the part of the professional. This should be part of the meaning of professionalism in democratic diplomacy. Even if the professional is to be given more leeway, as Kennan and Nicolson advocate, he must know the range and limitations of his support, so that "leeway" or "freedom of action" are not taken to be a kind of exclusive authority appropriate only to an aristocracy. And, as C. J. Friedrich has pointed out with reference to Sir Eyre Crowe's disparagement of its role in diplomacy, public opinion has long had an influence on policy, whether the professional diplomatist has been willing to admit it or not.[8]

Analysis of national opinion abroad, or at least relevant segments of it, has for some time been an accepted responsibility of legations and embassies, and was a well-used technique in HICOG. Much less attention seems to have been paid to the analysis of opinion at home.[9] Does the evidence, unfortunately all too abundant, that the American people are emotional, short-sighted, and subject to manipulation by irresponsible politicians merely serve to confirm existing elitist predispositions among some diplomats, who soberly believe that only men

[8] C. J. Friedrich, *Constitutional Government and Democracy*, Boston, 1946, pp. 589-90.

[9] During the foreign aid hearings in the spring of 1957, it was revealed that the Secretary of State's confidential emergency funds had been used to take a sample of public opinion purporting to reveal overwhelming support for continued foreign aid. The House Government Operations Committee later issued a statement reporting that, since 1943, the Department of State had "illegally" spent more than one-half million dollars on polls on various foreign-policy issues, and severely criticized the Bureau of the Budget for failing to prevent this practice. *House Report 1166*, August 14, 1957; *Congressional Quarterly*, XV, No. 33 (week ending August 16, 1957), p. 976.

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like themselves are capable of comprehending and serving the national interest? Yet Kennan himself, while rejecting as unreliable the short-term judgments of the public, seems to concede that in the long run the public judgment is sound.[10] It is difficult to see just how an analytically valid distinction can be made in these terms, since the polls have largely been confined to essentially short-run situations. To be sure, the public may be characterized as possessing certain rather basic predispositions toward the outside world and, at the same time, as developing new attitudes with reference to immediate issues, such as the Girard case. The combination of these, as they impinge upon one another, make up the national will. Only by developing sensitivity to the several kinds of manifestation of public opinion can the diplomat (or anyone else, for that matter) know the range of public acceptance within which foreign policy must operate. And if he either misunderstands or rejects the very nature of democratic society, a nation which cherishes democratic values and procedures can ill afford to entrust its representation to him.

From this it follows that to the degree to which the diplomat is called upon to heed public opinion, the national interest dictates that the level of public sophistication be continually elevated. No doubt this carries with it the danger of a kind of "hidden persuasion" by the social engineer skilled at manipulating the mass mind for his own purposes. Yet it can also be the kind of adult education represented by world affairs study and discussion groups like those encouraged by the Foreign Policy Association, for example, which are increasingly active from one end of the country to the other. In resting his case Wriston cites, as the key to the improvement of American foreign policy, public enlightenment through voluntary associations, pressure groups, the now world-conscious daily press, and through what de Tocqueville long ago observed as the American tendency to treat every conversation as a town meeting.[11]

There is still another dimension which must be developed if democratic diplomacy is to be cultivated. This involves public acceptance of the legitimate role, the intelligence, the loyalty, and the integrity of the professional. In this respect we may be better off now than we were several years ago, at a time when Lippmann, writing his book, could observe the clever nurturing of public distrust of the diplomat for purposes of political advantage. To respect the professional's sphere of

[10] *American Diplomacy, 1900-1950*, p. 93.

[11] Wriston's more recent article, "Education and the National Interest," *Foreign Affairs*, XXXV, No. 4 (July 1957), pp. 564-80.

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competence is quite a different matter from turning the affairs of state over to him completely, giving him an unfettered hand to control the national destiny. If the diplomat continues to be the whipping boy of American politics he can neither respect nor represent the American people. They have an obligation to him, just as he has his obligation to them.

IV

Taken together, these divergent commentators on the crisis in Western diplomacy provide a welcome antidote for those zealots who, caught up in the ebullience of the Cold War, would either endanger America to save democracy or sacrifice democracy to save America. The value of the public philosophy as expressed by Walter Lippmann lies in its reminder that the privilege of democracy can be ruinous unless tempered by responsibility. The value of democratic diplomacy as elaborated by Henry Wriston lies in its promise that, in the ideological struggle in which the West is locked, the noble concept that government by the people shall not perish from the earth may yet prevail. Thus, in a deeper sense, both schools of thought are "right" as analyses of a critical problem in foreign policy. The solution of the problem lies not in the creation of a superdiplomat, or even a super-Secretary of State who carries the foreign policy of the country under his homburg, where it is unresponsive to the political process. It lies rather in the continual development of a more enlightened and more sensitive public, and an educational system capable of producing both responsible laymen with a basic understanding of international relations and also highly trained and highly motivated specialists capable of practicing the difficult art of democratic diplomacy.

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